

# COUNTY OF MUSKEGON

## Muskegon, Michigan



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

PREPARED BY  
DEPT. OF FINANCE & MANAGEMENT SERVICES/ACCOUNTING

JOSEPH W. SIEDENSTRANG, CPA  
ACCOUNTING MANAGER

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

County of Muskegon  
Muskegon, Michigan

September 30, 2004

## **BOARD OF COMMISSIONERS** **PAUL T. BAADE, CHAIRMAN**

DOUGLAS BENNETT  
CHARLES BUZZELL  
JAMES DEREZINSKI  
MARVIN ENGLE  
BILL GILL

LOUIS MCMURRAY  
ROBERT SCOLNIK  
JOHN SNIDER  
NANCY WATERS  
STEPHEN WISNIEWSKI

**COUNTY ADMINISTRATOR**  
**JAMES BORUSHKO**

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December 16, 2004

To Honorable Paul T. Baade, Chairman, Members Board of Commissioners and Citizens of Muskegon County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Muskegon for the fiscal year ended September 30, 2004.

This report consists of management's representations concerning the finances of the County of Muskegon. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management of the County of Muskegon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County of Muskegon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of Muskegon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County of Muskegon's financial statements have been audited by BDO Seidman, LLP, a firm of licensed certified public accountants. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Muskegon's financial statements for the fiscal year ended September 30, 2004, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Muskegon's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The County of Muskegon, incorporated in 1859, is located in the western part of the state, which is considered to be a strong employment area in the state, and one of the top tourism areas in the state. The County of Muskegon currently occupies a land area of 527 square miles and serves a population of 170,200 (2000 U.S. Census). The County of Muskegon is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County of Muskegon has operated under the elected Board of Commissioners form of government since 1968. Policy-making and legislative authority are vested in a governing Board consisting of the chairman and ten other members. The governing Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring. The administrator is responsible for carrying out the policies and ordinances of the governing county's body, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Board is elected on a partisan basis by district. Board members serve two-year terms.

The County provides a full range of municipal services. These services are either mandated by State statute or authorized by the County Board of Commissioners. These include legislative, judicial, public safety (police), health, mental health, welfare, culture, libraries, recreation, public improvements, wastewater treatment, solid waste disposal, transportation (airport and public transit), and general administrative services, including vital statistics and record keeping for births, deaths and property. Certain roadway services are provided by our component unit, the Muskegon County Road Commission.

The County adopts its annual budget in accordance with the State Uniform Budgeting and Accounting Act. The general, special revenue, and debt service funds are under formal budgetary control. All departments of the County of Muskegon are required to submit budget requests to the Administrator in February. The Administrator then presents a proposed budget to the Board for review. The Board holds public hearings in August and September and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Management can do transfers within funds at the departmental level without governing Board approval. Transfer of appropriations between funds, however, require special approval of the Board.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Muskegon operates.

**Local Economy.** Muskegon is part of one of the fastest growing regions in the Country. The Grand Rapids-Muskegon-Holland Metropolitan Statistical Area (MSA) is the major driver of growth in West Michigan. Due to its close proximity to Lake Michigan, a pro-business focus by local and county government, a strong commitment to economic development, and splendid quality of life, Muskegon is catching the eye of business leaders who are looking for the ideal site to locate their companies.

The area's population has grown from a 1992 estimate of 966,289 individuals to a 2002 estimate of 1,111,433 - a 15.0% increase compared to a 5.8% increase for Michigan and a 12.5% increase for the United States.

Employment growth in the West Michigan region was more than double the growth in the state of Michigan over the past 30 years. Total wage and salary employment by place of work mushroomed 28.6% during the past 10 years, from 453,725 employees in 1992 to 583,533 in 2002. This compares to a 15.7% increase for Michigan and a 20.8% increase for the United States.

While manufacturing employment is shrinking elsewhere, West Michigan experienced a 14.5% growth from 1992 to 2002 compared to a 0.8% increase for Michigan and a 7.6% decrease for the United States (Muskegon Area First). The commercial, industrial and tourism components of the economy continue to remain vibrant. Important individual companies in the County, their employment and business are as follows:

Brunswick Indoor Recreation Group - This company has approximately 400 employees and is in the leisure activities market, producing bowling equipment.

Verizon - This company, with regional offices locally, has approximately 450 employees and provides telecommunication services throughout the state of Michigan.

Howmet Turbine Components Corp. (A subsidiary of Alcoa Inc) - This company has over 2,100 employees. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Mercy General Health Partners - This company employs approximately 2,400 employees and is the County's largest employer. They provide comprehensive health care services for the community. The Mercy General system also provides regional health care services which include heart and kidney specialty centers.

Knoll - This company is a wholly owned subsidiary of the Knoll Group, with approximately 380 employees. It manufactures quality office furniture, accessories, and modular furniture.

Sappi Fine Paper - This company has approximately 550 employees. They manufacture a high-grade coated paper used in the printing of fine quality products.

Dana Corporation/Perfect Circle Division - This company has approximately 550 employees and is a Fortune 500 company. They manufacture automotive piston rings and are the world's largest supplier. They maintain their division headquarters in Muskegon.

General Dynamics Corporation - This company has approximately 580 employees and manufactures military engines and is a large prime defense contractor in Muskegon County.

Michigan Adventure - Muskegon County is home to the only amusement park in Michigan, featuring the state's largest water park and the world's third largest wooden roller coaster. It attracts over 550,000 visitors annually and employs over 1,000 in the summer season.

In addition, other significant employers in Muskegon County include: Hackley Health Systems (1300), Holland USA (360, automobile supplier), Adac Plastics (450), Meijer Inc. (1100, retail sales), Michigan State Government (2,000, prisons), Sun Chemical (470, paint pigments), and Acemco (250, auto parts).

Retail sales within the County have grown by 37% during the last ten years as well. The retail rates are as follows:

1995	\$1,299,733,000	2000	\$1,782,984,000
1996	1,358,224,000	2001	1,803,714,000
1997	1,419,899,000	2002	1,791,460,000
1998	1,522,000,000	2003	2,076,771,000
1999	1,710,662,000	2004	N/A

#### **Long-term financial planning.**

The County of Muskegon participates in a multiple employer defined benefit pension plan for its employees. Each year an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County of Muskegon must make to the pension plan to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As a matter of policy, the County of Muskegon fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the County of Muskegon's conservative funding policy, the County of Muskegon has succeeded as of December 31, 2003, in funding 90 percent of the present value of the projected benefits earned by employees.

The County of Muskegon also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 351 retired employees receiving these benefits, which are financed on a pay as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. Additional information on the County of Muskegon's pension arrangement and post-employment benefits can be found in Notes 8 and 12 in the notes to the financial statements.



**Relevant financial policies.** Per Michigan Statutes Annotated (M.S.A.).843 (1) the Board of Commissioners has authorized the County Treasurer to invest surplus funds belonging to, or under the control of the county, in certificates of deposits, commercial paper, and direct obligations of the United States. The investment limits are 1) no more than 50% in commercial paper, and 2) any investment in commercial paper must have a rating within the three highest classifications of two standard rating agencies.

It is the county's policy to safeguard all investments to the maximum practicable and allowed by law. To this end, third-party safekeeping and collateralization is used where available. If these are not available, close monitoring of the investment's underlying security (usually the issuer) is made and continual evaluation is done as to the issuer's stability in the marketplace.

Idle cash of the County of Muskegon was invested in certificates of deposit, commercial paper, and money market funds in accordance with state law and local policy. The investment program yielded \$1,802,418 in 2003, and \$1,344,778 in 2004 for an average yield of 1.76 percent.

Investment of idle cash is one of the few means which the county has to increase revenues without increasing taxes or fees. Strong cash management efforts have made the county successful with its cash returns.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Major initiatives.**

In 2004, the County successfully recovered from a projected deficit in the General Fund of \$2,500,000. This was accomplished through revenue increases and expenditure reductions across many General Fund departments and funds supported by the General Fund. Because of the excellent cooperation of the departments, we exceeded our goal and increased our unrestricted fund balance by \$309,000.

Starting in 2002, the County embarked on a collaborative agreement between multiple governmental entities to develop and build a County-wide fiber communications network that could service all of its residents. In 2004, the building of the fiber backbone commenced and is expected to be completed by 2006. Upon completion, the network is expected to service at least 79 individual locations with video, data, internet and telephone communications.

Our wastewater system has started the process of rebuilding lift stations and providing backup systems in case of equipment failure. This 16 million dollar phase I replacement and upgrade will commence in 2005 and be completed in 2007. In our phase II (due to start in 2008) we will be doing a complete replacement of our largest lift station ( C ) for 10 million dollars. Both these projects will be funded by State revolving fund loans at extremely low rates of interest. The current loan interest rate is 1.625%

### **Awards and Acknowledgments**

In 2004, independent auditors were engaged for the twenty ninth consecutive fiscal year to perform an annual audit of the county's books of account, financial records, and transactions. The opinion of BDO Seidman, LLP, independent certified public accountants, is included in this report.

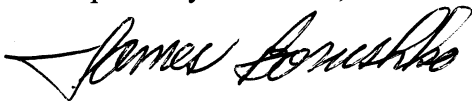
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2003. This was the twenty sixth consecutive year that the county has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized (comprehensive annual/component unit) financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance and Management Services Department and particularly our accounting staff. I would like to express my gratitude to all members of the department. I would also like to thank you and the members of the Muskegon County Board of Commissioners for your interest and support in planning and conducting the financial operations of the County of Muskegon in a responsible and progressive manner.

Respectfully submitted,



James Borushko  
Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Muskegon,  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

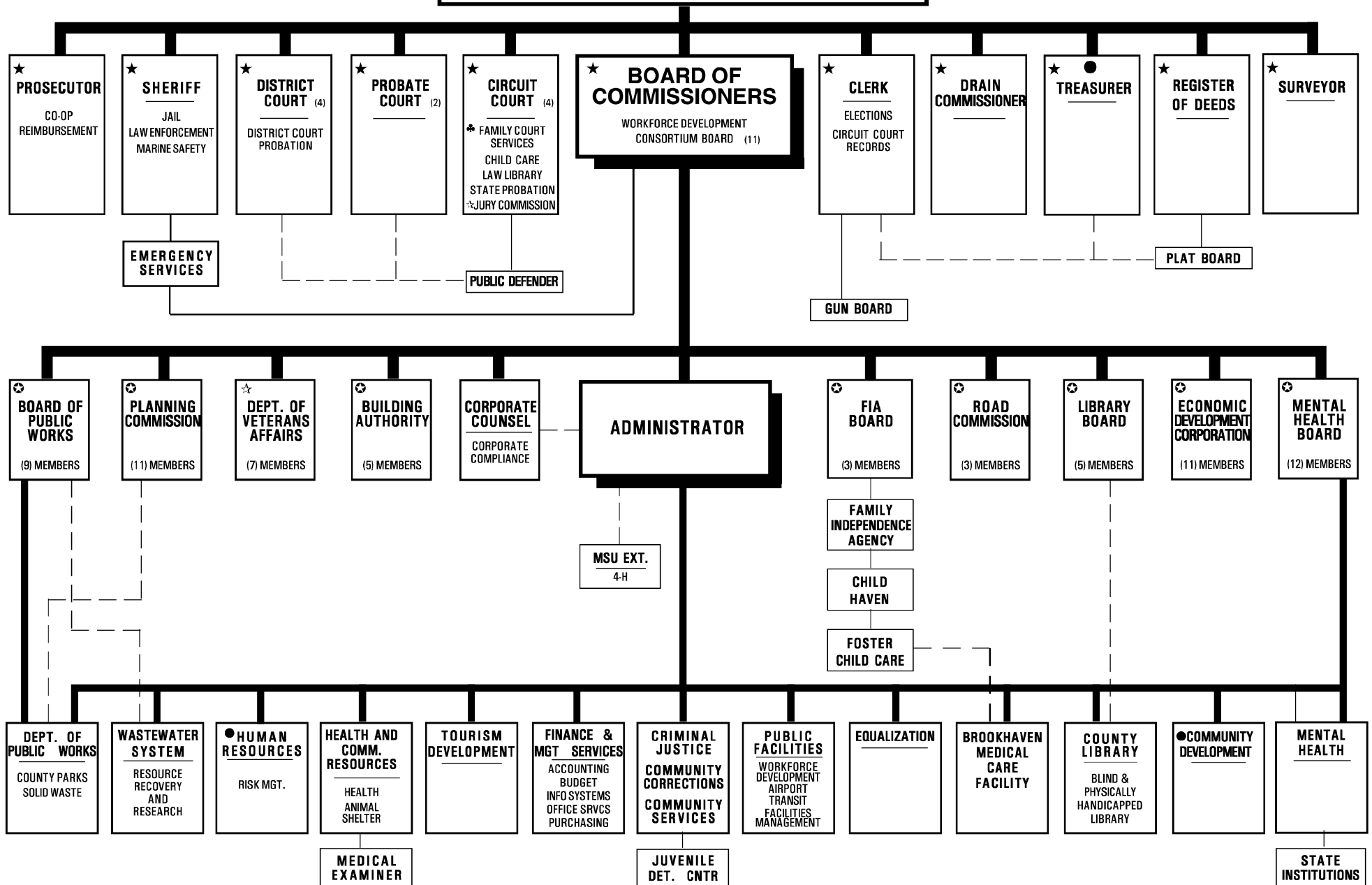
President

*Jeffrey R. Emer*

Executive Director

# 2004 ORGANIZATIONAL CHART

## ELECTORATE MUSKEGON COUNTY



### LEGEND:

★ ELECTED POSITION

☆ STATE APPOINTMENT  
OR CONCURRENCE

⊙ AUTONOMOUS OR  
SEMI-AUTONOMOUS FUNCTION  
(MEMBERS APPOINTED BY  
BOARD OF COMMISSIONERS)

● INTRAGOVERNMENTAL

♣ FAMILY COURT SERVICES CONSISTS OF: FRIEND OF THE  
COURT, FOC CO-OP REIMBURSEMENT, FAMILY COUNSELING  
SERVICE, JUVENILE COURT AND INTENSIVE PROBATION

— — — RELATED FUNCTION  
(OPERATIONS)

**County of Muskegon**  
List of Elected Officials  
September 30, 2004

**COMMISSIONERS**

STEPHEN R. WISNIEWSKI, DISTRICT 1  
CHARLES L. BUZZELL, DISTRICT 2  
I. JOHN SNIDER II, DISTRICT 3  
JAMES J. DEREZINSKI, DISTRICT 4  
MARVIN R. ENGLE, DISTRICT 5  
NANCY A. WATERS, DISTRICT 6

DOUGLAS BENNETT, DISTRICT 7  
BILL GILL, DISTRICT 8  
LOUIS A. MCMURRAY, DISTRICT 9  
PAUL T. BAADE, DISTRICT 10  
ROBERT SCOLNIK, DISTRICT 11

**COUNTY OFFICIALS**

KAREN BUIE, COUNTY CLERK  
JAN (JOHN) KOENS, COUNTY TREAS.  
MARK F. FAIRCHILD, REG. OF DEEDS  
GEORGE M. JURKAS, COUNTY SHERIFF

TONY D. TAGUE, PROSECUTOR  
MARTIN L. HULKA, DRAIN COMMISSIONER  
STEPHEN VALLIER, COUNTY SURVEYOR

**DISTRICT COURT JUDGES**

MICHAEL J. NOLAN  
ANDREW WIERENGO, III

HAROLD F. CLOSZ  
FREDRIC A. GRIMM, JR.

**CIRCUIT COURT JUDGES**

JAMES M. GRAVES, JR.  
WILLIAM C. MARIETTI

TIMOTHY G. HICKS  
JOHN C. RUCK

**FAMILY COURT JUDGES**

NEIL G. MULLALLY-PART TIME  
JOHN C. RUCK

WILLIAM C. MARIETTI-PART TIME  
GREGORY PITTMAN

**PROBATE COURT JUDGES**

NEIL G. MULLALLY

GREGORY PITTMAN



## Independent Auditors' Report

To the Board of Commissioners of the  
County of Muskegon, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Muskegon, Michigan, as of and for the year ended September 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Muskegon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Muskegon County Road Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muskegon County Road Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County of Muskegon, Michigan, as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2004, on our consideration of the County of Muskegon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress on pages 15 through 30 and pages 92 through 97 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon's basic financial statements. The introductory section, combining funds statements and schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining funds statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinions on them.

*BDO Seidman, LLP*

Grand Rapids, Michigan  
December 3, 2004

## Management's Discussion and Analysis

Management of the County of Muskegon offers readers of these financial statements a narrative overview of the financial condition and activities for the year ended September 30, 2004. Please read this narrative in conjunction with the review of our financial statements, financial statement notes and the transmittal letter.

### Financial Statement Presentation

The financial statements presented herein include all the activities of the County of Muskegon and its component units using the format as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The County of Muskegon's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the financial statements themselves.

### THE COUNTY AS A WHOLE

**Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of the County of Muskegon's finances, in a manner similar to a private-sector business. These statements are presented on the full accrual basis of accounting which when viewed from the economic resources measurement focus can be used to determine whether the County has improving or deteriorating finances.

The "statement of net assets" presents information on all of the County of Muskegon's assets and liabilities, with the difference between the two being reported as "net assets". Over the years, increases or decreases in net assets may serve as one indicator of the change in the financial condition of the County.

The "statement of activities" presents how the net assets changed during the period just ended. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Example of timing differences are uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County of Muskegon that are primarily supported by tax and intergovernmental pass through revenues (*governmental activities*) from other functions that were created and intended to recover most or all of their costs through user fees and charges for services (*business-type activities*). The governmental activities include legislative, judicial, general county



government, public safety, health, welfare, culture, recreation, and debt service. The business type activities include solid waste management, wastewater and an international airport.

The government-wide financial statements include not only the County of Muskegon (*the primary government*) but also a legally separate Road Commission. The board of this organization is appointed by the County and there is a potential for liability to the County. The financial information of this component unit is reported separately from the financial information of the primary government itself.

### **Reporting on the County's major funds**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control and reporting of resources that are segregated for a specific purpose or activity with defined objectives. The County of Muskegon is required by State law to use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Muskegon are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the County's short term financing needs.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, informed readers may better be able to understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County of Muskegon maintains over one hundred fifty individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Community Mental Health, Managed Care, Brookhaven, and Water and Sewer Debt. All of these funds are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of combining statements elsewhere in the report.

The County of Muskegon adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparisons (original and final) have been provided for the major funds to demonstrate compliance with the budgets as required supplementary information. A comparison of budget to actual expenditures is provided for all non major governmental funds in the combining financial statements - governmental activities by fund type.

**Proprietary funds.** The County of Muskegon maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as “business-type activities” in the government-wide financial statements. The County uses enterprise funds to account for fairgrounds, delinquent taxes, solid waste, fly ash disposal, airport, transportation, water and sewer operations. Internal service funds are used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for central printing, building maintenance, building and equipment purchases, insurance and risk management. Because these services predominantly benefit governmental rather than business-type activities, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste, Airport and Wastewater Management, all of which are considered major funds of the County. Conversely, both internal service funds and other enterprise funds are combined into single column presentations in the proprietary fund financial statements. Individual fund data for the non major proprietary funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own operations. The accounting used for fiduciary funds is like that used for proprietary funds (full accrual).

**Notes to the basic financial statements.** The notes provide additional information that is important to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning the County’s budgetary information as it relates to the actual expended and certain pension information with the corresponding trend data.

The combining statements referred to earlier in connection with non major governmental funds and internal service funds are presented immediately following the required supplementary information.

### **Government-wide Financial Analysis**

As noted previously, net assets may serve as a useful indicator of the County’s overall financial health. The County of Muskegon’s assets exceed liabilities by \$171,914,505 at the close of Fiscal year 2004.

The largest portion of net assets in the County (74%) are its fixed assets (land, buildings, machinery and equipment), less related debt outstanding used to acquire these assets. The County uses these fixed assets to provide services to Muskegon County residents and therefore, are not available for disposal to fund future projects or operations. Although the County’s investment in fixed assets is reported net of capital debt, it is noted that resources needed to retire this debt must come from future sources of revenue, as the assets themselves can’t be used to liquidate these obligations.

### County of Muskegon Net Assets

Major Categories	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Cash and Investments	\$32,216,739	\$25,195,818	\$35,745,647	\$38,986,311	\$67,962,386	\$64,182,129
Receivables	23,508,360	24,419,839	12,464,082	9,810,425	35,972,442	34,230,264
Other Current Assets	132,043	60,239	1,175,634	1,153,468	1,307,677	1,213,707
Long Term Assets	4,269,840	1,000,000	-	-	4,269,840	1,000,000
Fixed Assets	63,233,211	64,600,478	115,314,005	119,658,793	178,547,216	184,259,271
<b>Total Assets</b>	<b>123,360,193</b>	<b>115,276,374</b>	<b>164,699,368</b>	<b>169,608,997</b>	<b>288,059,561</b>	<b>284,885,371</b>
Other Liabilities	22,197,108	17,022,925	14,708,824	15,261,488	36,905,932	32,284,413
Long Term Liabilities	40,578,233	38,446,118	38,660,891	43,687,188	79,239,124	82,133,306
<b>Total Liabilities</b>	<b>62,775,341</b>	<b>55,469,043</b>	<b>53,369,715</b>	<b>58,948,676</b>	<b>116,145,056</b>	<b>114,417,719</b>
Net Assets:						
Investment in fixed assets						
net of related debt	42,253,211	42,415,478	84,539,646	83,728,971	126,792,857	126,144,449
Restricted	16,159,880	16,648,540	1,917,089	3,670,124	18,076,969	20,318,664
Unrestricted	2,171,761	743,313	24,872,918	23,261,226	27,044,679	24,004,539
<b>Total Net Assets</b>	<b><u>\$60,584,852</u></b>	<b><u>\$59,807,331</u></b>	<b><u>\$111,329,653</u></b>	<b><u>\$110,660,321</u></b>	<b><u>\$171,914,505</u></b>	<b><u>\$170,467,652</u></b>

A portion (11%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$27,044,679) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (36%) of the Governmental total assets in the County are in liquid and short term receivables that give us a great ability to meet current obligations of short and long term nature. This ability translates into the freedom to meet changing conditions in the market place as well as changes in the economy of the surrounding area. The strength of our unrestricted net assets shows that we are aware of the ever changing face of government's operations and are prepared to respond to those needs.

**Governmental Activities:**

Governmental activities increased the County's net assets by \$777,521. This increase was primarily due to increases in grants and contributions from private sources. Other elements of the increase are as follows:

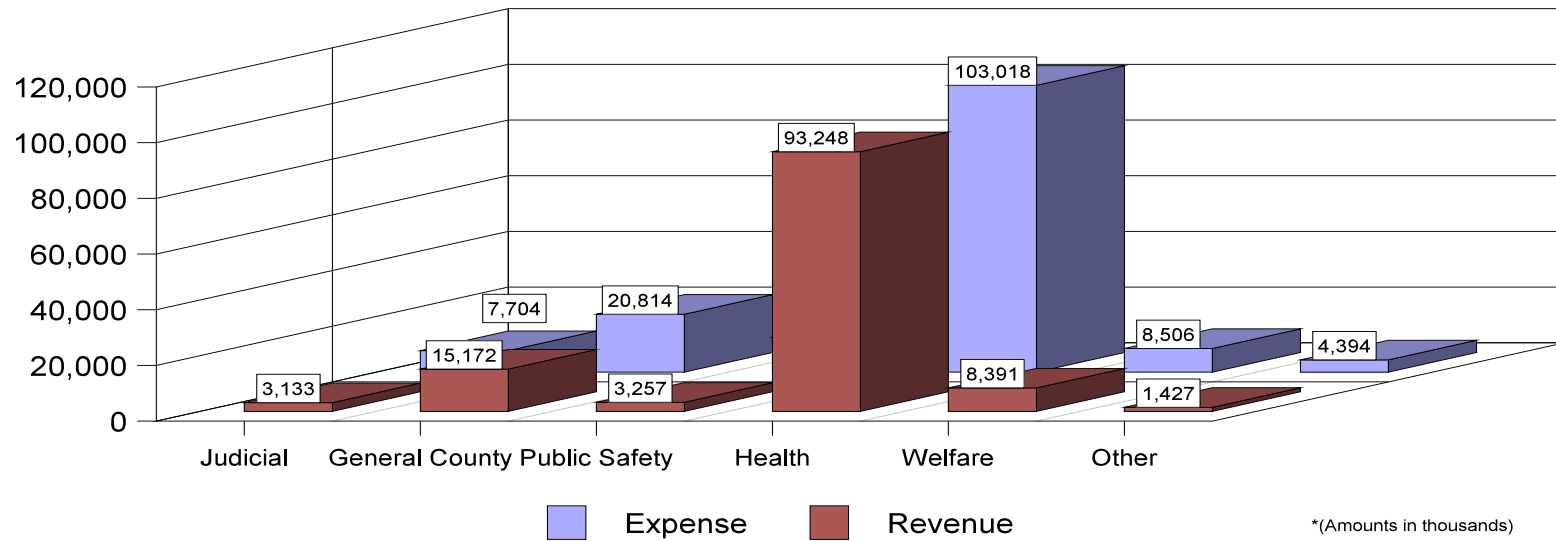
**Muskegon County Changes in Net Assets**

	Governmental Activities 2004	Governmental Activities 2003	Business-type Activities 2004	Business-type Activities 2003	Total 2004	Total 2003
Revenues						
Program Revenues						
Operating Grants and Contributions	\$33,629,078	\$32,283,324	\$4,904,312	\$2,416,330	\$38,533,390	\$34,699,654
Charges for services/Sales	90,999,300	97,202,683	17,197,250	17,017,537	108,196,550	114,220,220
Capital Grants and contribution	-	-	3,201,369	3,348,523	3,201,369	3,348,523
General Revenues						
Taxes	24,226,727	23,196,374	-	-	24,226,727	23,196,374
Investment Earnings	758,653	927,447	586,125	874,971	1,344,778	1,802,418
Rentals	830,402	733,734	-	-	830,402	733,734
Contributions from private sources	1,367,462	649,743	-	-	1,367,462	649,743
Gain(loss)on Sale of Assets	-	(41,920)	-	-	0	(41,920)
Other	5,656,146	6,889,455	173,177	1,530,335	5,829,323	8,419,790
Total Revenues	\$157,467,768	\$161,840,840	\$26,062,233	\$25,187,696	\$183,530,001	\$187,028,536

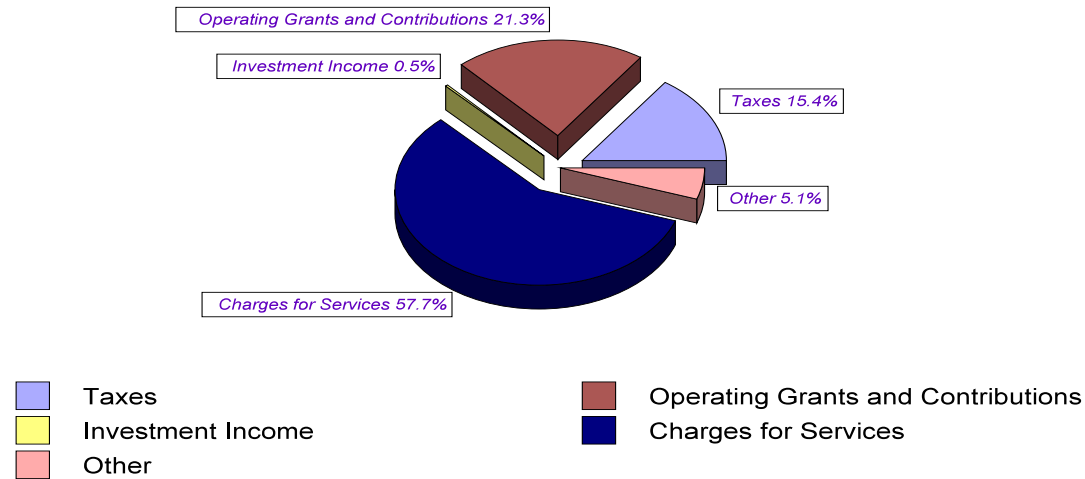
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2004	Governmental Activities 2003	Business-type Activities 2004	Business-type Activities 2003	Total 2004	Total 2003
Expenses						
Legislative	\$384,134	\$369,305	\$ -	\$ -	\$384,134	\$369,305
Judicial	7,704,381	7,462,674	-	-	7,704,381	7,462,674
General County Government	20,814,190	19,442,421	-	-	20,814,190	19,442,421
Public Safety	12,618,622	11,844,387	-	-	12,618,622	11,844,387
Health	103,018,096	112,285,843	-	-	103,018,096	112,285,843
Welfare	8,506,737	8,854,982	-	-	8,506,737	8,854,982
Culture	1,889,198	1,938,129	-	-	1,889,198	1,938,129
Recreation	771,578	790,474	-	-	771,578	790,474
Other	234,397	279,942	-	-	234,397	279,942
Debt Service Interest	1,038,521	1,130,245	-	-	1,038,521	1,130,245
Debt Service Other	75,091	54,913	-	-	75,091	54,913
Solid Waste	-	-	3,987,766	3,266,744	3,987,766	3,266,744
Airport	-	-	2,130,761	2,762,826	2,130,761	2,762,826
Wastewater	-	-	14,604,673	14,418,353	14,604,673	14,418,353
Other proprietary funds	-	-	4,305,003	4,543,958	4,305,003	4,543,958
Total Expenses	157,054,945	164,453,315	25,028,203	24,991,881	182,083,148	189,445,196
Increase (decrease) in net assets before transfers	412,823	(2,612,475)	1,034,030	195,815	1,446,853	(2,416,660)
Transfers	<u>364,698</u>	<u>1,575,099</u>	<u>(364,698)</u>	<u>(1,575,099)</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net assets	777,521	(1,037,376)	669,332	(1,379,284)	1,446,853	(2,416,660)
Net Assets - October 1, 2003 (restated)	59,807,331	60,844,707	110,660,321	112,039,605	170,467,652	172,884,312
Net Assets - September 30, 2004	<u>\$60,584,852</u>	<u>\$59,807,331</u>	<u>\$111,329,653</u>	<u>\$110,660,321</u>	<u>\$171,914,505</u>	<u>\$170,467,652</u>

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Property taxes increased by \$1,030,000 (4 percent) during the year. This continued increase reflects the continued growth of retail business within the County.
- Operating Grants increased 4% resulting from increased effort in grant applications.
- Health expenditures dropped by (8%) due to the timing of our medicaid inter-governmental transfers.
- Investment income dropped by 18% due to continued reductions in the interest rates earned on idle cash.

**Business-type activities.** Business-type activities increased the County of Muskegon's net assets by \$669,332, accounting for 46% of the total increase in the government's net assets. An operating grant from the State to the Wastewater system accounted for the major increase.

### **Financial analysis of the Government's Funds**

As noted earlier, the County of Muskegon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

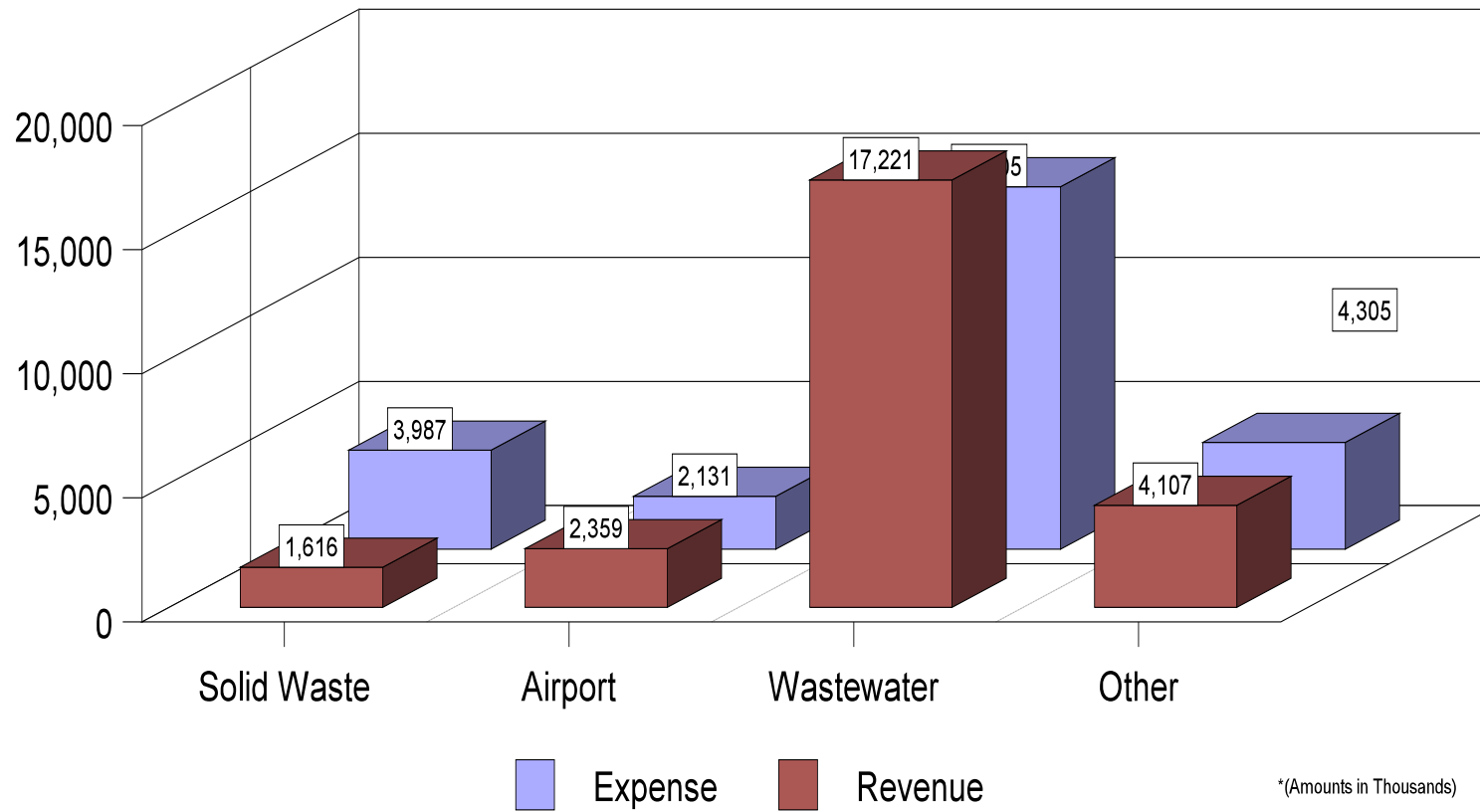
**Governmental funds.** The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the current fiscal year, the County of Muskegon's governmental funds reported combined ending fund balances of \$17,736,128, a increase of \$878,495 in comparison with the previous year. Approximately 48% of the fund balance (\$8,592,630) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$3,451,401), 2) to pay debt service (\$1,541,395), 3) to cover a potential bad debt from a prior capital project (\$800,000), 4) to hold for future grant expenditures (\$2,576,029), 5) for perpetual care (\$54,012), for inventory and prepaid items (\$132,043), or for long term advances to other funds (\$588,618).

The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,853,374 while total fund balance was \$7,486,407. As one measure of the general fund's liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 17% of total general fund expenditures, while total fund balance represents 19% of that same amount. A comparison to prior year percentages show that unreserved fund balance stayed constant while total fund balance increased by 1 percent.

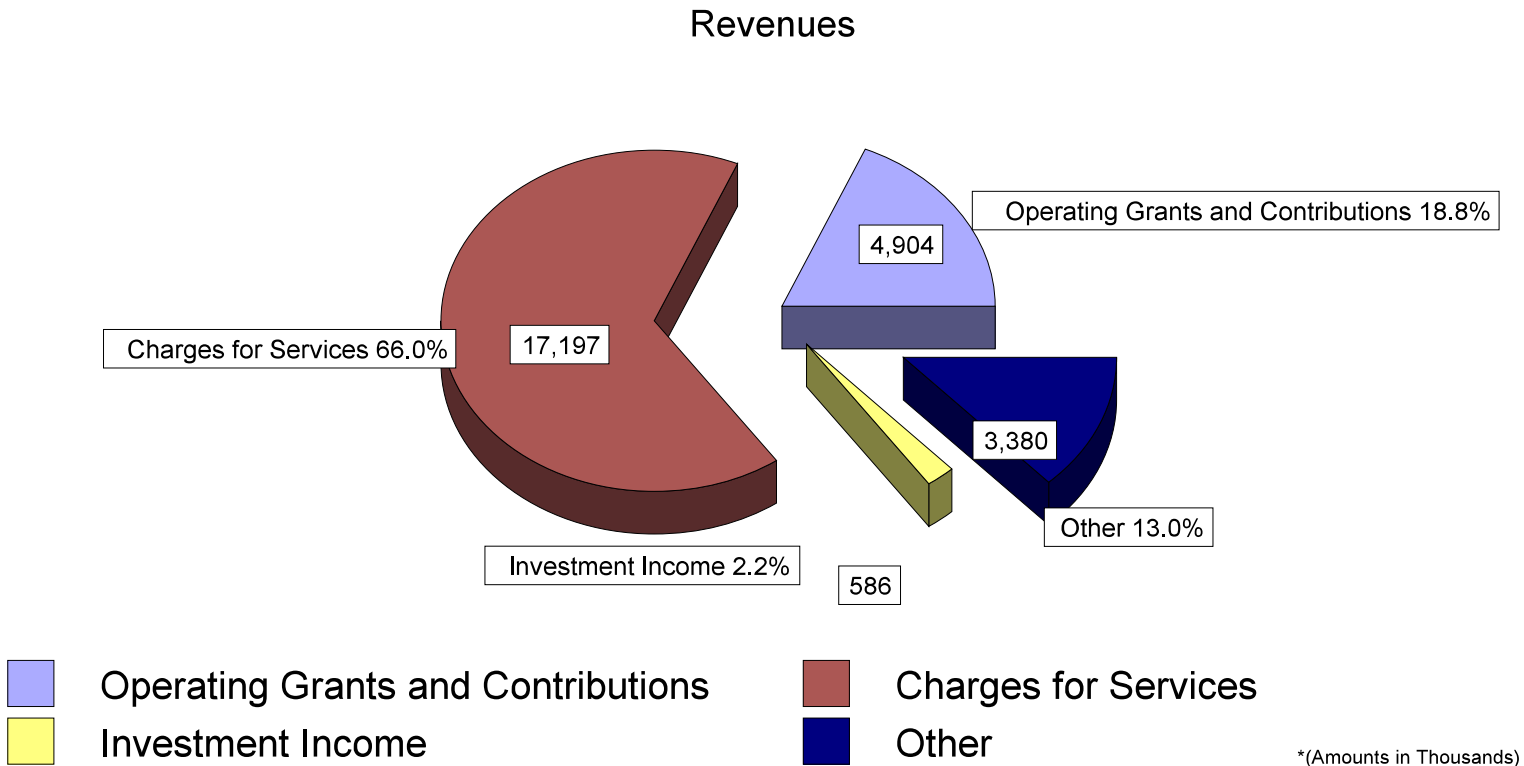
Major expenses in the Health area decreased by \$8,794,000 which accounted for the net increase in fund balance of \$878,495. Property taxes increased by \$1,030,000, operating grants increased \$1,346,000, interest earnings went down \$169,000, and charges for services decreased by \$6,204,000.

## Expenses and Program Revenues - Business-Type Activities





## Revenues by source - Business-Type activities



The debt service fund has a total fund balance of \$1,541,395, all of which is reserved for debt service payments. The decrease in the debt service fund balance of \$171,860 reflects the governmental decision to only put amounts into the debt funds sufficient for debt payments currently due and payable within one year. There were no bond issuances during the year and principal and interest payments for the current year decreased by \$375,000.

**Proprietary funds.** The County of Muskegon proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the County Wastewater system were \$10,259,920, with the Airport and the Solid Waste site at

\$1,434,988 and \$0, respectively. The total growth (reduction) in net assets for these three funds was \$2,836,591, \$1,221,982, and (\$2,224,461), respectively. Other factors concerning these funds have already been addressed in the discussion of the County of Muskegon's business-type activities.

### **General Fund budgetary expenditure highlights**

The decrease between the original budget and the final amended budget were minute (less than 1%) and is briefly summarized as follows:

- Decreases in the investment earnings due to continued decline of interest rates
- Decreases in operating grants reflecting the drop in State funding
- 

Budgeted expenditures decreased by approximately \$55,000. The largest decrease was in general county government for salary and fringe costs (\$316,000). Total actual expenses came in under budget and allowed revenues to flow through as an increase in the fund balance.

### **Capital Asset Administration**

**Capital Assets.** The County of Muskegon's investment in capital assets for its governmental and business-type activities as of September 30, 2004 amounts to \$179 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, lagoons, wastewater collection/distribution system, and capitalized interest and engineering. The total decrease in the County of Muskegon's capital assets for the current fiscal year was 3%.

Major capital asset additions during the current fiscal year included the following:

- County Broadband project (\$199,195)
- Digital aerial photography (\$152,000)
- New Solid Waste Compactor (\$499,000)
- Continued Runway expansion (\$1,200,000)
- Wastewater equipment replacement and improvements to existing pipelines (\$12,338,000)

**County of Muskegon's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2004	2003	2004	2003	2004	2003
Land	\$4,078,102	\$4,078,102	\$15,011,466	\$13,895,672	\$19,089,568	\$17,973,774
Land Improvements	3,483,432	3,660,640	10,696,695	11,844,209	14,180,127	15,504,849
Lagoons	-	-	6,553,815	6,650,136	6,553,815	6,650,136
Buildings & Improvements	50,396,128	51,944,848	15,135,769	15,836,395	65,531,897	67,781,243
Machinery & Equipment	3,876,814	4,916,888	6,515,688	6,355,620	10,392,502	11,272,508
Wastewater collection and distribution system	-	-	56,828,113	47,379,362	56,828,113	47,379,362
Capitalized interest & engineering	-	-	3,714,745	3,983,357	3,714,745	3,983,357
Construction in progress	1,398,735	-	857,714	13,714,042	2,256,449	13,714,042
Total	<u>\$63,233,211</u>	<u>\$64,600,478</u>	<u>\$115,314,005</u>	<u>\$119,658,793</u>	<u>\$178,547,216</u>	<u>\$184,259,271</u>

Additional information on the County of Muskegon's capital assets can be found in Note 6 of the "Notes to the Government Wide Financial Statements" of this report.

**Long-term debt.** At the end of the current fiscal year, the County of Muskegon had total bonded debt outstanding of \$68,390,000. Of this amount, \$20,980,000 comprises debt backed by the full faith and credit of the County; \$27,835,000 in revenue bonds backed by the County and participating municipalities; \$9,075,000 special assessment debt partially guaranteed by local municipalities; and finally, \$10,500,000 in delinquent tax notes backed by the property owners and secured by property tax liens.

The County's credit ratings was upgraded in 1998, 2000 and 2001. The current rating of A+ by Standard and Poors and a Moody's rating of A2 for general obligation debt is indicative of a strong economy for the County and results in lower bond interest costs.

**County of Muskegon's Outstanding Debt**  
General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General Obligation Bonds	\$20,980,000	\$22,185,000	\$3,030,000	\$3,325,000	\$24,010,000	\$25,510,000
Special Assessment Debt with Governmental Commitment	9,075,000	9,910,000			9,075,000	9,910,000
Revenue Bond			24,805,000	26,945,000	24,805,000	26,945,000
Delinquent Tax Notes			10,500,000	10,500,000	10,500,000	10,500,000
Total	<u>\$30,055,000</u>	<u>\$32,095,000</u>	<u>\$38,335,000</u>	<u>\$40,770,000</u>	<u>\$68,390,000</u>	<u>\$72,865,000</u>

The County of Muskegon's total debt decreased by \$4,475,000 during the current fiscal year. The decrease is attributed to normal debt payoffs of \$13,475,000. and the sale of the current year notes in the amount of \$9,000,000. The County issues notes each year to fund property taxes that are unpaid by the due date of March 1<sup>st</sup>.

The change in the ratio of net general obligation bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the County's relative debt position. The 2003 ratio was .32% with the bonded debt per capita at \$86.66. In 2004, the ratio is .29% with a bonded debt per capita of \$81.61. The reduction in both these indicators show a trend that has been occurring since 1996 showing that the County is growing satisfactorily without an increase in corresponding debt load.

Additional information on the County of Muskegon's long-term debt can be found in Note 7 of the notes to the financial statements.

## Economic factors and General Outlook

For the period from October, 2001 through September, 2004, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2004</u> <u>County</u>	<u>2004</u> <u>USA</u>	<u>2003</u> <u>County</u>	<u>2003</u> <u>USA</u>	<u>2002</u> <u>County</u>	<u>2002</u> <u>USA</u>	<u>2001</u> <u>County</u>	<u>2001</u> <u>USA</u>
October	9.7	6.0	8.9	5.8	6.6	5.4	4.5	3.9
November	9.7	5.9	9.3	5.9	7.9	5.6	4.3	4.0
December	9.2	5.7	9.0	6.0	7.9	5.8	4.0	4.0
January	9.5	5.6	10.6	5.7	9.3	5.6	5.7	4.2
February	9.1	5.6	10.3	5.8	9.2	5.6	6.3	4.2
March	9.4	5.7	10.3	5.8	9.3	5.7	6.5	4.3
April	7.5	5.6	8.8	6.0	8.4	5.9	5.7	4.5
May	8.1	5.6	9.6	6.1	9.0	5.8	6.6	4.4
June	8.5	5.6	11.2	6.4	10.0	5.8	6.9	4.5
July	9.2	5.5	12.0	6.2	10.2	5.8	7.1	4.5
August	7.9	5.5	10.4	6.1	8.9	5.8	6.0	4.9
September	<u>7.8</u>	<u>5.4</u>	<u>9.8</u>	<u>6.1</u>	<u>8.8</u>	<u>5.7</u>	<u>6.1</u>	<u>4.9</u>
Average	<u>8.8</u>	<u>5.6</u>	<u>10.0</u>	<u>6.0</u>	<u>8.8</u>	<u>5.7</u>	<u>5.8</u>	<u>4.4</u>

Muskegon County's unemployment rate has decreased compared to 2003. This is attributed to strengthening of the industrial base in the West Michigan area. Muskegon County's growth and improving image as a good place to live, work, and do business, continues to help stabilize and improve the unemployment rate.

## **General**

The economic climate in Muskegon and West Michigan has stabilized. Unemployment has dropped to the 2002 level. Several projects and achievements have contributed to the growth and quality of living in Muskegon County. Some of the more significant are:

- Started a successful seasonal cross lake ferry service in 2004 with the city of Milwaukee, Wisconsin
- Started a \$221,000 renovation of our premier County park
- Started a locally owned and run trolley system for tourism and special events
- Started a new and expanded Jet service at the airport
- Started construction of a County-wide fiber network system for use by all municipalities, police, and fire departments
- Established debt collection and write off policy and procedures

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Muskegon's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Muskegon, Office of the Administrator, 990 Terrace St., Muskegon Mi. 49442, telephone (231) 724-6520, or e-mail at [borushkoja@co.muskegon.mi.us](mailto:borushkoja@co.muskegon.mi.us).

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***County of Muskegon***

***Statement of Net Assets***  
***September 30, 2004***

	Primary Government			Component Unit
	Governmental	Business - Type		Road
ASSETS	Activities	Activities	Total	Commission
Cash and cash equivalents	\$ 15,235,247	\$ 19,191,839	\$ 34,427,086	\$ 3,832,668
Investments	16,981,492	16,553,808	33,535,300	1,115,924
Receivables				
Accounts	5,449,519	2,004,169	7,453,688	-
Intergovernmental	6,583,667	3,666,402	10,250,069	2,339,772
Accrued interest	1,098,256	298,547	1,396,803	-
Current taxes	-	4,037,503	4,037,503	-
Delinquent taxes	-	3,712,066	3,712,066	-
Interest and penalties on delinquent taxes	-	1,062,396	1,062,396	-
Special assessments	8,057,288	-	8,057,288	-
Other	2,629	-	2,629	44,742
Prepaid Items	56,466	-	56,466	491,581
Prepaid expenses	-	109,336	109,336	35,903
Internal balances	2,317,001	(2,317,001)	-	-
Inventories	75,577	26,902	102,479	969,626
Restricted assets	-	1,039,396	1,039,396	2,027,951
Long-term note receivable	4,269,840	-	4,269,840	-
Land	4,078,102	15,011,466	19,089,568	5,308,809
Capital Assets, net of accumulated depreciation	59,155,109	100,302,539	159,457,648	16,320,272
	<u>\$ 123,360,193</u>	<u>\$ 164,699,368</u>	<u>\$ 288,059,561</u>	<u>\$ 32,487,248</u>

The accompanying notes are an integral part of this statement.



***County of Muskegon***

***Statement of Net Assets***  
***September 30, 2004***

	<b>Governmental</b>	<b>Primary Government</b>		<b>Component Unit</b>
	<b>Activities</b>	<b>Business - Type</b>		<b>Road</b>
<b>LIABILITIES</b>		<b>Activities</b>	<b>Total</b>	<b>Commission</b>
<b>Payables</b>				
Accounts	\$ 6,543,943	\$ 3,982,029	\$ 10,525,972	\$ 735,352
Intergovernmental	6,871,410	-	6,871,410	18,088
Advances	-	29,574	29,574	376,321
Accrued liabilities	7,762,834	10,383,623	18,146,457	83,279
<b>Payable from restricted funds</b>				
Accrued interest	-	298,598	298,598	-
Unearned revenue	1,018,921	15,000	1,033,921	408,464
<b>Long-term debt</b>				
Due within one year	6,249,624	11,635,000	17,884,624	315,953
Due in more than one year	34,328,609	27,025,891	61,354,500	1,981,550
<b>Total liabilities</b>	<b>\$ 62,775,341</b>	<b>\$ 53,369,715</b>	<b>\$ 116,145,056</b>	<b>\$ 3,919,007</b>
 <b>NET ASSETS</b>				
Investment in capital assets net of related debt	42,253,211	84,539,646	126,792,857	21,629,081
<b>Restricted for:</b>				
Special Revenue	2,708,072	-	2,708,072	5,295,022
Closure Costs	-	1,917,089	1,917,089	-
Capital Projects	3,451,401	-	3,451,401	-
Debt Service	9,946,395	-	9,946,395	-
Permanent Fund - expendable	19,254	-	19,254	-
Permanent Fund - nonexpendable	34,758	-	34,758	-
Unrestricted	2,171,761	24,872,918	27,044,679	1,644,138
<b>Total Net Assets</b>	<b>\$ 60,584,852</b>	<b>\$ 111,329,653</b>	<b>\$ 171,914,505</b>	<b>\$ 28,568,241</b>

The accompanying notes are an integral part of this statement.

**County of Muskegon**

**Statement of Activities  
For the Year Ended September 30, 2004**

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental	Primary Government Business-Type Activities	Total	Road Commission
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
Legislative	\$ 384,134	\$ -	\$ -	\$ -	\$ -	(\$ 384,134)	\$ -	(\$ 384,134)	\$ -
Judicial	7,704,381	2,928,929	204,070	-	3,132,999	(4,571,382)	-	(4,571,382)	-
General County Government	20,814,190	7,212,877	7,959,453	-	15,172,330	(5,641,860)	-	(5,641,860)	-
Public Safety	12,618,622	1,033,578	2,223,265	-	3,256,843	(9,361,779)	-	(9,361,779)	-
Health	103,018,096	78,775,798	14,472,673	-	93,248,471	(9,769,625)	-	(9,769,625)	-
Welfare	8,506,737	-	8,390,596	-	8,390,596	(116,141)	-	(116,141)	-
Culture	1,889,198	467,074	251,578	-	718,652	(1,170,546)	-	(1,170,546)	-
Recreation	771,578	544,574	31,567	-	576,141	(195,437)	-	(195,437)	-
Other	234,397	36,470	95,876	-	132,346	(102,051)	-	(102,051)	-
<b>Debt Service</b>									
Interest	1,038,521	-	-	-	-	(1,038,521)	-	(1,038,521)	-
Other	75,091	-	-	-	-	(75,091)	-	(75,091)	-
<b>Total Governmental Activities</b>	<b>157,054,945</b>	<b>90,999,300</b>	<b>33,629,078</b>	<b>-</b>	<b>124,628,378</b>	<b>(32,426,567)</b>	<b>-</b>	<b>(32,426,567)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
Solid Waste (5710)	3,987,766	1,612,171	3,465	-	1,615,636	-	(2,372,130)	(2,372,130)	-
Airport (5810)	2,130,761	933,106	119,862	1,306,369	2,359,337	-	228,576	228,576	-
Wastewater (5920)	14,604,673	12,796,043	2,529,577	1,895,000	17,220,620	-	2,615,947	2,615,947	-
Other Proprietary Funds	4,305,003	1,855,930	2,251,408	-	4,107,338	-	(197,665)	(197,665)	-
<b>Total Business-Type Activities</b>	<b>25,028,203</b>	<b>17,197,250</b>	<b>4,904,312</b>	<b>3,201,369</b>	<b>25,302,931</b>	<b>-</b>	<b>274,728</b>	<b>274,728</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 182,083,148</b>	<b>\$ 108,196,550</b>	<b>\$ 38,533,390</b>	<b>\$ 3,201,369</b>	<b>\$ 149,931,309</b>	<b>(32,426,567)</b>	<b>274,728</b>	<b>(32,151,839)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon County Road Commission	\$9,352,770	\$2,235,731	\$12,540,600	\$0	\$14,776,331				\$ 5,423,561
<b>General Revenues:</b>									
Property Taxes						24,226,727	-	24,226,727	-
Investment Earnings						758,653	586,125	1,344,778	57,319
Rentals						830,402	-	830,402	6,900
Gain (Loss) on Disposal of Assets						-	-	-	82,592
Donations (unrestricted)						1,367,462	-	1,367,462	-
Other						5,656,146	173,177	5,829,323	30,021
Transfers						364,698	(364,698)	-	-
<b>Total General Revenues, Special Items, and Transfers</b>						<b>33,204,088</b>	<b>394,604</b>	<b>33,598,692</b>	<b>176,832</b>
<b>Change in Net Assets</b>						<b>777,521</b>	<b>669,332</b>	<b>1,446,853</b>	<b>5,600,393</b>
<b>Net Assets - Beginning of Year (as restated) (note 17)</b>						<b>59,807,331</b>	<b>110,660,321</b>	<b>170,467,652</b>	<b>22,967,848</b>
<b>Net Assets - End of Year</b>						<b>\$ 60,584,852</b>	<b>\$ 111,329,653</b>	<b>\$ 171,914,505</b>	<b>\$ 28,568,241</b>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Balance Sheet*

*Governmental Funds*

*September 30, 2004*

ASSETS	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 245,734	\$ 2,023,129	\$ 1,044,961	\$ -	\$ 1,208,918	\$ 5,126,252	\$ 9,648,994
Investments	1,794,736	1,745,039	901,325	-	1,045,000	4,421,792	9,907,892
Receivables							
Accounts	465,871	2,738,968	20,110	1,535,343	378,288	302,012	5,440,592
Intergovernmental	1,446,852	-	-	-	-	5,136,815	6,583,667
Accrued interest	876,137	36,901	14,688	87	19,002	56,050	1,002,865
Special assessments	-	-	-	-	8,055,000	2,288	8,057,288
Other	2,629	-	-	-	-	-	2,629
Prepaid Items	-	-	-	40,210	-	16,256	56,466
Due from other funds	4,449,358	-	-	-	-	-	4,449,358
Inventories	-	-	-	75,577	-	-	75,577
Long-term advances to other funds	588,618	-	-	-	-	-	588,618
Long-term note receivable	-	-	-	-	-	800,000	800,000
	<u>\$ 9,869,935</u>	<u>\$ 6,544,037</u>	<u>\$ 1,981,084</u>	<u>\$ 1,651,217</u>	<u>\$ 10,706,208</u>	<u>\$ 15,861,465</u>	<u>\$ 46,613,946</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

*County of Muskegon*  
*Balance Sheet*  
*Governmental Funds*  
*September 30, 2004*

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>							
Payables							
Accounts	\$ 680,045	\$ 173,593	\$ 1,825,069	\$ 239,460	\$ -	\$ 3,232,662	\$ 6,150,829
Intergovernmental	53,171	4,768,260	-	-	1,856,592	193,387	6,871,410
Accrued liabilities	1,650,312	705,493	156,015	389,303	-	864,881	3,766,004
Due to other funds	-	-	-	744,476	-	2,494,060	3,238,536
Long-term advances from other funds	-	-	-	-	-	21,500	21,500
Deferred revenue	-	50,000	-	-	8,405,000	374,539	8,829,539
<b>Total liabilities</b>	<b>2,383,528</b>	<b>5,697,346</b>	<b>1,981,084</b>	<b>1,373,239</b>	<b>10,261,592</b>	<b>7,181,029</b>	<b>28,877,818</b>
Fund Balances							
Reserved for long-term advances to other funds	588,618	-	-	-	-	-	588,618
Reserved for long-term note receivable	-	-	-	-	-	800,000	800,000
Reserved for prepaids/inventory	-	-	-	115,787	-	16,256	132,043
Unreserved							
Designated for Capital Projects	-	-	-	-	-	3,451,401	3,451,401
Designated for Special Revenue	44,415	846,691	-	162,191	-	1,522,732	2,576,029
Designated for Debt Service	-	-	-	-	444,616	1,096,779	1,541,395
Designated for Permanent Funds - expendable	-	-	-	-	-	19,254	19,254
Designated for Permanent Funds - nonexpendable	-	-	-	-	-	34,758	34,758
Undesignated	6,853,374	-	-	-	-	-	6,853,374
Undesignated - Special Revenue	-	-	-	-	-	1,739,256	1,739,256
<b>Total Fund Balances</b>	<b>7,486,407</b>	<b>846,691</b>	<b>-</b>	<b>277,978</b>	<b>444,616</b>	<b>8,680,436</b>	<b>17,736,128</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,869,935</b>	<b>\$ 6,544,037</b>	<b>\$ 1,981,084</b>	<b>\$ 1,651,217</b>	<b>\$ 10,706,208</b>	<b>\$ 15,861,465</b>	

Amounts reported for Governmental Activities in the  
Statement of Net Assets are different because:

Capital assets used for governmental activities are not  
current financial resources and therefore are not reported in  
the Governmental Funds Balance Sheet. 58,106,048

Internal Service Funds are used by management to charge the costs of certain  
activities , such as insurance and equipment leasing to individual funds.  
The assets and liabilities of the Internal Service Funds are included in the  
governmental activities in the Government-wide Statement of Net Assets 12,794,578

Deferred revenue in Debt Service is recognized on the full accrual basis in the  
Government Wide Financial Statements 8,405,000

Long term liabilities are not due and payable in the current period and therefore  
they are not reported in the Governmental Funds Balance Sheet (36,456,902)

Net Assets of Governmental Activities \$ 60,584,852

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

**County of Muskegon**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended September 30, 2004**

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 21,714,201	\$ -	\$ -	\$ -	\$ -	\$ 2,512,526	\$ 24,226,727
Licenses and permits	24,222	-	-	-	-	688,330	712,552
Operating grants and contributions	4,932,658	3,409,432	3,510,975	-	-	21,776,013	33,629,078
Charges for services	9,645,749	12,918,554	38,040,160	25,766,030	-	2,632,720	89,003,213
Fines and forfeitures	828,194	-	-	-	-	455,341	1,283,535
Investment income	381,374	54,573	30,051	1	6,252	104,096	576,347
Rentals	131,749	-	-	18,813	-	679,840	830,402
Special assessments	-	-	-	-	800,000	-	800,000
Contributions from private sources	20,077	759,076	549,830	102	-	38,377	1,367,462
Other	544,996	542,619	835,132	515	465	610,199	2,533,926
Total revenues	38,223,220	17,684,254	42,966,148	25,785,461	806,717	29,497,442	154,963,242
<b>Expenditures</b>							
Current operations							
Legislative	384,134	-	-	-	-	-	384,134
Judicial	6,204,100	-	-	-	-	1,459,292	7,663,392
General County government	12,017,914	-	-	-	-	5,140,330	17,158,244
Public safety	9,255,801	-	-	-	-	3,123,675	12,379,476
Health	-	17,081,262	43,635,765	26,327,811	-	14,518,025	101,562,863
Welfare	-	-	-	-	-	8,383,463	8,383,463
Culture	130,915	-	-	-	-	1,725,219	1,856,134
Recreation	-	-	-	-	-	571,362	571,362
Other	233,242	-	-	-	1,155	-	234,397
Capital outlay	6,618	31,631	36,030	35,884	397,318	802,349	1,309,830
Debt service							
Principal payments	-	-	-	-	835,000	1,205,000	2,040,000
Interest	-	-	-	-	34,001	1,004,520	1,038,521
Other	-	-	-	-	-	75,091	75,091
Total expenditures	28,232,724	17,112,893	43,671,795	26,363,695	1,267,474	38,008,326	154,656,907
Revenues over (under) expenditures	9,990,496	571,361	(705,647)	(578,234)	(460,757)	(8,510,884)	306,335
<b>Other financing sources (uses)</b>							
Sales of Fixed Assets	33,583	-	-	1,287	-	1,585	36,455
Transfers in	1,000,000	238,356	595,136	-	69,000	9,507,693	11,410,185
Transfers (out)	(10,714,663)	-	-	-	-	(159,817)	(10,874,480)
	(9,681,080)	238,356	595,136	1,287	69,000	9,349,461	572,160
Net change in fund balance	309,416	809,717	(110,511)	(576,947)	(391,757)	838,577	878,495
Fund balance at beginning of year	7,176,991	36,974	110,511	854,925	836,373	7,841,859	16,857,633
Fund balance at end of year	\$ 7,486,407	\$ 846,691	\$ -	\$ 277,978	\$ 444,616	\$ 8,680,436	\$ 17,736,128

The accompanying notes are an integral part of this statement.

## *County of Muskegon*

### **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities**

#### **For the Year Ended September 30, 2004**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in fund balances - total governmental funds	\$ 878,495
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation for the current period less outlays capitalized in the current period	(1,883,517)
The repayment of long term debt consumes current financial resources but does not effect net assets	2,040,000
Loss on the difference between the cost of a governmental asset and its accumulated depreciation is not recognized in governmental funds as it does not deduct from current financial resources	(129,552)
Recognition of special assessment revenue on debt with governmental commitment occurs annually in the governmental funds but is on full accrual for all amounts due in the Government Wide Statements	(800,000)
The accrual of sick and annual wages does not consume current financial resources but does reduce net assets therefore they are not reported in governmental funds	(221,900)
Due from other funds in the General Fund for cash deficits	3,238,536
Due to General Fund in Governmental funds	(3,238,536)
Long term advances to Governmental funds	21,500
Long term advances to Internal Service funds	567,118
Long term advances from General Fund	(588,618)
Long term advances to Internal Service funds	104,102
Long term advances from Proprietary funds	(104,102)
Due to proprietary funds	1,210,281
Due from internal service funds	(1,210,281)
Due from proprietary funds to the General fund	1,210,822
Due to General fund from proprietary funds	(1,210,822)
Internal service funds are used by management to charge the costs of insurance, printing, central facilities, equipment, risk management and tax collection to individual funds	
The net revenue of certain activities of internal service funds is reported with governmental activities	<u>893,995</u>
Change in net assets of governmental activities	<u>\$ 777,521</u>

**The accompanying notes are an integral part of this statement.**

*County of Muskegon*

*Statement of Net Assets  
Proprietary Funds  
September 30, 2004*

ASSETS	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 4,288,467	\$ -	\$ 7,211,681	\$ 7,691,691	\$ 19,191,839	\$ 6,797,075
Investments	3,698,992	-	6,220,393	6,634,423	16,553,808	5,862,778
Receivables						
Accounts	202,877	112,730	1,618,594	69,968	2,004,169	8,927
Intergovernmental	1,766,306	1,334,326	12,026	553,744	3,666,402	-
Accrued interest	72,090	-	108,496	117,961	298,547	95,391
Current taxes	-	-	-	4,037,503	4,037,503	-
Current portion of interest and penalties on delinquent taxes	-	-	-	614,484	614,484	-
Prepaid expenses	-	-	-	109,336	109,336	-
Inventories	516	-	25,870	516	26,902	-
Restricted Assets	921,162	-	-	118,234	1,039,396	-
Total current assets	10,950,410	1,447,056	15,197,060	19,947,860	47,542,386	12,764,171
<b>NONCURRENT ASSETS</b>						
Long-term advances to other funds	104,102	-	-	-	104,102	1,210,281
Long-term note receivable	-	-	-	-	-	3,469,840
Delinquent taxes	-	-	-	3,712,066	3,712,066	-
Interest and penalties on delinquent taxes	-	-	-	447,912	447,912	-
Property and equipment at cost, net of accumulated depreciation	6,409,031	19,251,429	81,220,582	8,432,963	115,314,005	5,127,163
Total noncurrent assets	6,513,133	19,251,429	81,220,582	12,592,941	119,578,085	9,807,284
Total assets	\$ 17,463,543	\$ 20,698,485	\$ 96,417,642	\$ 32,540,801	\$ 167,120,471	\$ 22,571,455

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

*County of Muskegon*

*Statement of Net Assets*

*Proprietary Funds*

*September 30, 2004*

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 51,038	\$ 45,676	\$ 3,817,020	\$ 68,295	\$ 3,982,029	\$ 393,114
Accrued liabilities	96,765	115,483	821,522	331,959	1,365,729	3,996,830
Advances payable	-	-	-	29,574	29,574	-
Accrued closure costs	8,989,620	-	-	-	8,989,620	-
Accrued interest	-	28,274	-	-	28,274	-
Current portion of tax anticipation notes payable	-	-	-	9,000,000	9,000,000	-
Long-term debt payable in less than one year	-	180,000	2,240,000	215,000	2,635,000	868,624
Payable from restricted funds						
Accrued interest	-	-	298,598	-	298,598	-
Total current liabilities	<u>9,137,423</u>	<u>369,433</u>	<u>7,177,140</u>	<u>9,644,828</u>	<u>26,328,824</u>	<u>5,258,568</u>
<b>NONCURRENT LIABILITIES</b>						
Due to other funds	-	1,210,822	-	-	1,210,822	-
Notes payable	-	-	-	1,500,000	1,500,000	-
Land contract payable	-	-	-	-	-	122,040
Long-term advances from other funds	-	1,210,281	-	-	1,210,281	671,220
Long-term debt due in more than one year	-	1,855,000	22,890,891	780,000	25,525,891	3,130,667
Deferred revenue	-	15,000	-	-	15,000	594,382
Total noncurrent liabilities	<u>-</u>	<u>4,291,103</u>	<u>22,890,891</u>	<u>2,280,000</u>	<u>29,461,994</u>	<u>4,518,309</u>
Total liabilities	<u>9,137,423</u>	<u>4,660,536</u>	<u>30,068,031</u>	<u>11,924,828</u>	<u>55,790,818</u>	<u>9,776,877</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of related debt	6,409,031	14,602,961	56,089,691	7,437,963	84,539,646	3,131,712
Restricted for cell closure	1,917,089	-	-	-	1,917,089	-
Unrestricted	-	1,434,988	10,259,920	13,178,010	24,872,918	9,662,866
Total Net Assets	<u>\$ 8,326,120</u>	<u>\$ 16,037,949</u>	<u>\$ 66,349,611</u>	<u>\$ 20,615,973</u>	<u>\$ 111,329,653</u>	<u>\$ 12,794,578</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page



*County of Muskegon*

*Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year ended September 30, 2004*

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
Operating revenues						
Charges for services	\$ 1,612,171	\$ 933,106	\$ 11,605,434	\$ 881,762	\$ 15,032,473	\$ -
Farm sales	-	-	1,190,609	-	1,190,609	-
Interest and penalties on delinquent taxes	-	-	-	974,168	974,168	-
Intragovernmental revenues	-	-	-	-	-	14,950,077
Other	74,682	31,657	26,212	40,626	173,177	3,110,353
	<u>1,686,853</u>	<u>964,763</u>	<u>12,822,255</u>	<u>1,896,556</u>	<u>17,370,427</u>	<u>18,060,430</u>
Operating expenses						
Salaries and fringe benefits	538,375	746,062	3,385,240	1,753,285	6,422,962	1,892,369
Supplies and other operating expenses	2,282,086	961,805	6,354,592	1,617,915	11,216,398	3,996,862
Insurance benefits and claims	-	-	-	-	-	1,140,708
Insurance premiums	-	-	-	-	-	8,951,263
Interest expense	-	-	-	129,279	129,279	106,646
Depreciation and amortization	1,199,947	691,763	3,720,750	657,709	6,270,169	1,101,753
	<u>4,020,408</u>	<u>2,399,630</u>	<u>13,460,582</u>	<u>4,158,188</u>	<u>24,038,808</u>	<u>17,189,601</u>
Operating income (loss)	<u>(2,333,555)</u>	<u>(1,434,867)</u>	<u>(638,327)</u>	<u>(2,261,632)</u>	<u>(6,668,381)</u>	<u>870,829</u>
Non Operating revenues (expenses)						
Operating subsidies	3,465	119,862	2,529,577	2,251,408	4,904,312	-
Interest income	137,717	529	194,432	253,447	586,125	182,306
Interest expense	-	(128,552)	(1,176,931)	(86,689)	(1,392,172)	-
Other	32,642	397,421	32,840	(60,126)	402,777	11,867
	<u>173,824</u>	<u>389,260</u>	<u>1,579,918</u>	<u>2,358,040</u>	<u>4,501,042</u>	<u>194,173</u>
Income before operating transfers and capital contributions	(2,159,731)	(1,045,607)	941,591	96,408	(2,167,339)	1,065,002
Capital contributions	-	1,306,369	1,895,000	-	3,201,369	-
Transfers in	-	1,023,731	-	7,032,098	8,055,829	-
Transfers (out)	(64,730)	(62,511)	-	(8,293,286)	(8,420,527)	(171,007)
	<u>(64,730)</u>	<u>2,267,589</u>	<u>1,895,000</u>	<u>(1,261,188)</u>	<u>2,836,671</u>	<u>(171,007)</u>
Change in Net Assets	(2,224,461)	1,221,982	2,836,591	(1,164,780)	669,332	893,995
Net Assets at beginning of year	<u>10,550,581</u>	<u>14,815,967</u>	<u>63,513,020</u>	<u>21,780,753</u>	<u>110,660,321</u>	<u>11,900,583</u>
Net Assets at end of year	<u>\$ 8,326,120</u>	<u>\$ 16,037,949</u>	<u>\$ 66,349,611</u>	<u>\$ 20,615,973</u>	<u>\$ 111,329,653</u>	<u>\$ 12,794,578</u>

The accompanying notes are an integral part of this statement.

**County of Muskegon**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Year ended September 30, 2004**

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 1,617,444	(\$ 255,801)	\$ 12,442,949	\$ 1,962,471	\$ 15,767,063	\$ 84,728
Cash Received from other funds	-	-	-	-	-	18,166,097
Cash Payments to Suppliers of Goods and Services	(2,134,522)	(1,012,609)	(7,145,895)	(1,582,030)	(11,875,056)	(13,741,914)
Interest Paid	-	-	-	(93,946)	(93,946)	-
Cash Payments to Employees for Services	(523,242)	(739,064)	(3,339,717)	(1,734,101)	(6,336,124)	(1,847,503)
Note Proceeds	-	-	-	9,000,000	9,000,000	-
Tax collections	-	-	-	4,046,555	4,046,555	-
Delinquent tax payments to municipalities	-	-	-	(13,046,555)	(13,046,555)	-
Other receipts	74,682	31,657	26,212	40,626	173,177	-
Net cash provided by (used for) Operating Activities	(965,638)	(1,975,817)	1,983,549	(1,406,980)	(2,364,886)	2,661,408
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from (to) other funds	30,490	(72,542)	-	(22,971)	(65,023)	(30,849)
Tax Collections	-	-	-	9,676,660	9,676,660	-
Operating Subsidies from Grants	3,465	119,862	2,529,577	2,579,300	5,232,204	-
Transfers (out)	(64,730)	(62,511)	-	(8,293,286)	(8,420,527)	(171,007)
Transfers in	-	1,023,731	-	7,032,098	8,055,829	-
Bond payments	-	-	-	(9,000,000)	(9,000,000)	-
Net cash provided by (used for) noncapital financing activities	(30,775)	1,008,540	2,529,577	1,971,801	5,479,143	(201,856)
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Note Proceeds	-	-	-	-	-	4,445,000
Note Issuance	-	-	-	-	-	(3,269,840)
Principal payments on long term debt	-	(125,000)	(4,731,297)	(170,000)	(5,026,297)	(494,785)
Principal received on long term advances	-	-	-	-	-	72,541
Interest expense and agent fees	-	(130,177)	(1,201,426)	(90,939)	(1,422,542)	-
Purchase of fixed assets	(728,520)	(387,679)	(673,267)	(45,000)	(1,834,466)	(373,200)
Construction in progress	-	(86,099)	(111,206)	-	(197,305)	(1,374,355)
Sale of fixed assets	33,000	390,096	32,840	46,265	502,201	11,867
Capital contributions and grants	-	1,305,607	1,895,000	-	3,200,607	-
Net cash used for capital and related financing activities	(695,520)	966,748	(4,789,356)	(259,674)	(4,777,802)	(982,772)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Interest received from investment pool	131,881	529	166,439	211,887	510,736	140,421
Net cash provided by investing activities	\$ 131,881	\$ 529	\$ 166,439	\$ 211,887	\$ 510,736	\$ 140,421

The accompanying notes are an integral part of this statement.

**County of Muskegon**

**Statement of Cash Flows - Continued**  
**Proprietary Funds**  
**For the Year ended September 30, 2004**

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(\$ 1,560,052)	\$ -	(\$ 109,791)	\$ 517,034	(\$ 1,152,809)	\$ 1,617,201
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,547,511	-	13,541,865	13,809,080	36,898,456	11,042,652
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,987,459</u>	<u>\$ -</u>	<u>\$ 13,432,074</u>	<u>\$ 14,326,114</u>	<u>\$ 35,745,647</u>	<u>\$ 12,659,853</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	<u>(\$ 2,333,555)</u>	<u>(\$ 1,434,867)</u>	<u>(\$ 638,327)</u>	<u>(\$ 2,261,632)</u>	<u>(\$ 6,668,381)</u>	<u>\$ 870,829</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	1,199,947	691,763	3,720,750	657,709	6,270,169	1,101,753
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	54,955	19,994	(341,068)	106,541	(159,578)	184,895
(Increase) decrease in intergovernmental receivable	(49,682)	(346,868)	(12,026)	-	(408,576)	594,382
Increase (decrease) in deferred revenue	-	15,000	-	-	15,000	-
(Increase) decrease in inventory	-	-	(8,236)	-	(8,236)	-
Increase (decrease) in accounts payable	(1,182,358)	(34,622)	(783,067)	14,448	(1,985,599)	(18,423)
(Increase) decrease in prepaid expenses	-	-	-	19,584	19,584	-
(Increase) decrease in restricted assets	(35,366)	-	-	1,853	(33,513)	-
Increase in closure costs	1,365,288	-	-	-	1,365,288	-
Increase (decrease) in due to other funds	-	(877,033)	-	-	(877,033)	-
Increase (decrease) in accrued liabilities	15,133	(9,184)	45,523	54,517	105,989	(72,028)
Total adjustments	<u>1,367,917</u>	<u>(540,950)</u>	<u>2,621,876</u>	<u>854,652</u>	<u>4,303,495</u>	<u>1,790,579</u>
Net cash provided by operations	<u>(\$ 965,638)</u>	<u>(\$ 1,975,817)</u>	<u>\$ 1,983,549</u>	<u>(\$ 1,406,980)</u>	<u>(\$ 2,364,886)</u>	<u>\$ 2,661,408</u>

The accompanying notes are an integral part of this statement.

***County of Muskegon***

***Statement of Fiduciary Net Assets***

***Fiduciary Funds***

***September 30, 2004***

	<b>Agency Funds</b>	<b>Trust Fund Retirees' Insurance (7330)</b>
<b>ASSETS</b>		
Cash and cash investments	\$ 15,475,887	\$ 13,484,259
Accounts receivable	1,023,170	10,799
Accrued interest receivable	19,283	111,280
	<u>\$ 16,518,340</u>	<u>\$ 13,606,338</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 557,752	\$ -
Intergovernmental payable	3,987,493	-
Undistributed current and delinquent taxes	7,545,630	-
Trust deposits	2,135,811	-
Accrued liabilities	42,739	-
Unallocated receipts	2,222,815	-
Fines and Fees due to local municipalities and libraries	26,100	-
	<u>\$ 16,518,340</u>	<u>-</u>
<b>Net Assets</b>		
Held in trust for pension benefits		<u>\$ 13,606,338</u>

The accompanying notes are an integral part of this statement.

***County of Muskegon***

***Statement of Changes in Fiduciary Net Assets***

***Fiduciary Funds***

***For the Year ended September 30, 2004***

	<b>Retirees' Insurance (7330)</b>
<b>Additions</b>	
<b>Contributions</b>	
<b>Employer</b>	<b>\$ 2,853,299</b>
<b>Plan members</b>	<b>369,959</b>
<b>Investment earnings</b>	<b>206,100</b>
<b>Total Additions</b>	<b><u>3,429,358</u></b>
<b>Deductions</b>	
<b>Benefits</b>	<b>2,632,789</b>
<b>Expenses</b>	<b>-</b>
<b>Total Deductions</b>	<b><u>2,632,789</u></b>
 <b>Change in Net Assets</b>	 <b>796,569</b>
 <b>Net Assets - Beginning</b>	 <b><u>12,809,769</u></b>
<b>Net Assets - Ending</b>	<b><u><u>\$ 13,606,338</u></u></b>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

The County of Muskegon, Michigan, was incorporated on July 18, 1859, and covers an area of approximately 527.34 square miles with the county seat located in the City of Muskegon. The county operates under an elected Board of Commissioners (11 members) and provides services to its 170,000 residents in many areas, including law enforcement, administration of justice, transportation, waste disposal, road maintenance, community enrichment and development and human services.

a) Reporting Entity

The accompanying financial statements present the County and its discretely presented component unit, entity for which the County is considered to be fiscally accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate for the County. The Muskegon County Building Authority is a blended component unit and its sole function is to construct and lease back buildings to the County. The authority has no financial activity as all costs are borne and reported by the County.

**Discretely presented component unit.** The Muskegon County Road Commission (MCRC) is responsible for maintaining a primary and local road system within county boundaries. The members of the governing board are appointed by the County Board of Commissioners and the County has significant financial responsibility for its operations. The County board also approves all debt issuances.

Complete financial statements for the individual component unit can be obtained from the entity's administrative office.

Muskegon County Road Commission  
7700 E Apple Ave  
Muskegon MI 49442

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

b) Fund Accounting

The financial activities of the county are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

c) Government-wide and fund financial statements

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets on all the non-fiduciary activities of the primary government and its component unit. Most of the effects of interfund activity have been removed from these statements. **Governmental activities**, which normally are supported by taxes and intergovernmental revenues, are reported separately from **business-type activities**, which rely primarily on users fees and charges for service. Likewise, the **primary government** is reported separately from certain legally separate **component units** for which the primary government is financially accountable.

The statement of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a specific function or segment and 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) other revenues that are by definition related to the cost of providing a specific function or segment. Taxes, fines and other items not specific to particular functions or segments are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the “economic resources” measurement focus and full accrual basis of accounting which also include the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. A ninety day availability period is used for revenue recognition for all governmental fund revenues, except for property taxes, which are sixty days.. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgements, are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** (1010) is the government’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

**Community Mental Health** (2220) accounts for funds earmarked to provide mental health services within county boundaries. Monies are provided by federal, state, and county appropriations, grants, contributions and charges for services. This fund has several separate programs for the mentally impaired and developmentally disabled individuals. Both out-patient and in-patient services for adults and children are provided.



County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Managed Care** (2222) accounts for monies received from all sources and distributes these funds to contracted providers and our own internal providers of services for mental health services.

**Brookhaven Medical Care Facility** (2900) accounts for revenues received from insurance providers, governmental agencies and patients (or their representatives) for the operation of a medical care facility for the care of the elderly and infirm.

**Water and Sewer Debt** (3650) accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. This debt is a special assessment debt with governmental commitment associated with local municipalities, water and sewer installation and infrastructure improvements.

The County reports the following major proprietary funds:

**Solid Waste** (5710) accounts for revenues received from, and expenses made for, the operations of a solid waste system. Monies for the operation of this fund are received from customers.

**Airport** (5810) provides direct and related services for both air carrier and general aviation aircraft. Airport activities are administratively divided into four areas: airfield, terminal buildings, hangars and other.

**Wastewater** (5920) provides a innovative, comprehensive plan for utilizing wastewater for land treatment by spray irrigation. The land treatment system nearly eliminates industrial and municipal pollutants and utilizes the wastewater as water and fertilizer to grow crops. Revenues are derived primarily from municipal users and private corporations. Additional revenue is generated from sales of crops grown at the facility.

Additionally, the County reports the following fund types:

**Internal service funds** account for printing, building maintenance, building and equipment purchases, and insurance and risk management on a cost reimbursement basis.

**Trust funds** account for the perpetual care of retirees' medical and dental costs. These funds are legally held in trust for use only by the specified activities as described. The accounting for trust funds is like that used for proprietary funds (full accrual).

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Agency funds** account for monies that are custodial in nature (assets equal liabilities) and do not involve the measurement of results in operations. Agency funds are accounted for on the full accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection and internal rentals of buildings and equipment in excess of depreciation and cost of money. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports deferred revenue on its Governmental Funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

e) Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

f) Inventories

Inventories, which consist of replacement parts, office supplies, drugs and medical supplies, are stated at cost using the first in, first out (FIFO) method in governmental funds, and at the lower of average cost or market in proprietary funds. Inventories are accounted for by the consumption method.

g) Capital Assets

Property and equipment are stated at cost. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries, employee benefits, and bond interest costs during the construction period. Capital assets are defined as assets with an estimated useful life of more than one year and with a unit cost of \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued and recorded at estimated fair market value at the date of donation. Capital assets are reported in the respective governmental or business-type activities columns in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

## NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

g) Capital Assets - continued

All fixed assets, including those purchased/constructed prior to the implementation of GASB 34 have been included for the primary government. The discretely presented component unit has until September 30, 2005 to provide retroactive reporting of infrastructure assets. The County has no infrastructure assets in its governmental activities. Property, plant, and equipment of the County, as well as its component units, is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10 - 100
Lagoon	98 - 100
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Wastewater collection and distribution system	10 - 50
Infrastructure	5 - 50
Capitalized interest and engineering costs	47 - 50

h) Compensated absences

County employees are granted vacation and sick leave in varying amounts based on length of service. Upon termination, employees are paid (1) accumulated vacation at full rates with certain limitations for non-staff personnel, and (2) accumulated sick leave at death or retirement at three-quarters the employee's pay rate and at one-half the employee's pay rate for all other reasons. Vacation and sick pay is fully accrued in the government-wide and proprietary financial statements. Vacation and Sick long-term portion of \$6,401,902 has been recorded as a portion of the long-term debt in the government-wide financial statements. Vacation and Sick paid during the year has been made from the funds where the employees last worked. County Road Commission personnel are paid fully for accumulated vacation and nothing for sick leave upon termination. Upon retirement or death, personnel receive full accumulated vacation and one half the sick leave accrued.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

i) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j) Self-Insurance Fund

The county maintains a self-insurance fund. The purpose of this fund is to pay premiums and claims as they are billed or occur. For the self-insured areas of workers' compensation, medical and unemployment, the county maintains an incurred but not reported (IBNR) reserve in all areas.

k) Fund Balance Reserves and Designations

Long-term advances from the general fund to the internal service funds were made to finance and sustain the activities of these funds. A portion of the general fund balance is reserved in an amount equal to such advances to reflect the amount of fund balance not currently available for expenditure.

As discussed in Note 4, the county has a long-term note receivable from the City of Muskegon Downtown Development Authority, which is held jointly by the capital projects and internal service funds. Portions of the capital projects fund balance have been reserved in amounts equal to their respective portions of such long-term note receivable to reflect the amount of the fund balance not currently available for expenditure.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

Fund balances designated for programs and debt service represent amounts appropriated by the Board of Commissioners for specific projects which carry over each year.

Specific fund balances designated and reserved are:

General and Special Revenue

General Fund (1010)	\$633,033
Emergency Services (1190)	20,002
Marine Safety (1200)	5,000
Parks Development (2080)	61,801
Prosecutor Family Court (2140)	8,312
Friend of the Court (2150)	218,721
Family Court Re-entry Initiative (2152)	187,500
Health Department (2210)	99,444
Community Mental Health (2220)	846,691
Accommodations Tax (2300)	29,344
Deed Automation Fund (2560)	222,415
West Michigan Enforcement Team (WMET) (2670)	19,271
TNT Drug (2671)	85,178
Library (2710)	69,291
Comp Strategy Implementation Grant (2821)	2,278

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

EDC Loan Revolving (2860)	398,019
Rambusch-Fuchs CDBG Grant (2873)	3,549
Brookhaven Medical Care (2900)	277,978
Mental Health Buildings (2970)	<u>108,863</u>
	<u>\$3,296,690</u>

Debt Service

Designated for debt service	<u>\$1,541,395</u>
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Capital Projects

Capital improvements designated for Heritage Landing (4180)	\$17,130
Capital improvements designated for Fruitport/NS Sewer Project (4618)	1,778,292
Muskegon Township Sewer/Water (4640)	207,356
Future capital projects (4930) (4960)	1,097,387
Long-term Note Receivable (4930) (4960)	800,000
Capital improvements designated for drain projects (8010)	<u>351,236</u>
	<u>\$4,251,401</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

Permanent Funds

Designated for perpetual care (1500) (1550)

\$54,012



County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Budgets

The general, special revenue, and debt service funds are the governmental fund types under formal budgetary control. The county adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget.

1. A general, special revenue and debt service funds budget is presented to the Ways and Means Committee of the Board in September, at which time hearings on the budget are scheduled. A Public Hearing is held in August or September and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Board.
2. The budget, and an appropriation ordinance implementing it, is then adopted in September.
3. Formal budget integration is employed as a management control device during the year for the general, special revenue and debt service funds. Formal budgetary integration is not employed for any other fund and only informational summaries are prepared as a management tool and are presented to the Board for consideration.
4. Budgets presented for the general, special revenue and debt service funds were prepared on the modified accrual basis of accounting. Encumbrances are not recorded at year end.
5. Expenditures may not legally exceed activity (department) totals in the general fund. All other special revenue fund expenditures and debt service funds cannot legally exceed their respective fund totals and must remain in accordance with their respective grant agreements with federal and state agencies.
6. Budgets for the current year are carefully reviewed in June or July for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Ways and Means Committee and the Board in August and September for their action. The legislative body amends the general appropriation act as soon as it becomes apparent this action is necessary.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

l) Budgets - continued

7. The Governing Board has the authority to amend all budgets at the fund level through the appropriation ordinance. It further has the right to amend the General Fund at the activity level if it desires. Management has no authority to amend budgets at the fund level. Management can do transfers within funds at the departmental level without governing board approval but not between departments. Some budgets are approved at the zero activity level when there appears to be no consistent operating data to project future revenues or expenses.
8. The budgetary information presented has been amended during the year by an official action of the County Board of Commissioners. The amendments were not significant in total.
9. All budget appropriations lapse at the end of each funds' fiscal year.

m) Grants and Third Party Cost Reimbursement Settlements

The county receives grants from other governmental units to finance specific programs. The grant revenues are recorded based on qualifying program expenditures, as determined by the county, and are subject to audit by the responsible agencies. Adjustments required upon final settlements are recorded in the period of settlement. Third party cost reimbursements are recorded at prospective rates and provisions are made at the end of each year to adjust such revenues to the reimbursable cost expected to be received. Adjustments required upon final settlements are recorded in the period of settlement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

n) Indirect Cost Rate

Administrative costs are recorded in the general fund as indirect costs in the county's accounting system and allocated to the various funds based upon a negotiated indirect cost plan. Indirect costs are defined by Office of Management and Budget (OMB) Circular A-87 as costs "(a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved." The indirect cost rate used by the county is based on prior cost experience, documented by a cost allocation plan, (published January 2004), and is approved by a cognizant federal agency (health and human services) in accordance with the provision of OMB Circular A-87. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is scrutinized and a revised fixed rate for future use is negotiated with the cognizant agency only if necessary. During 2004, the county's indirect cost rate was 11.8430% of direct salaries and wages, excluding fringe benefits. Certain other accounting policies are disclosed in subsequent footnotes.

NOTE 2 - PROPERTY TAX

Property taxes are levied and attached as an enforceable lien on property as of July 1 and December 1. Taxes are payable by March 1 with local treasurers. After March 1, taxes are delinquent and are collected by the county with additional penalty and interest added. Delinquent tax rolls are used to finance delinquent tax notes of which the proceeds are used to pay off the various taxing authorities around July 1. Collections of delinquent taxes (including penalty and interest) are kept by the county to repay the notes, with any remainder being remitted to the general fund. Any delinquent taxes not collected after two years have elapsed trigger the property to be foreclosed and sold at public auction, with a minimum bid of amounts due for taxes, interest and fees. The foreclosure sales occurs on or about September 1st. Therefore, under the statutes, total delinquency collection is assured.

NOTE 3 - CASH AND CASH EQUIVALENTS

To facilitate better management of the county's resources, substantially all cash is combined in one pooled operating account. The county's excess cash is invested principally in certificates of deposit, U.S. treasury notes, and commercial paper primarily on a pooled investment basis.

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- . Investments that are readily convertible to known amounts of cash
- . Investments that mature in such a short period of time that their values are effectively immune from changes in interest rates
- . Original maturity of three months or less

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

Investments are stated at fair value. Investment income of the pooled investment account is allocated monthly to the respective funds on the basis of their average daily cash balance. All investments are registered in the name of the County and held by the County's agent. As such, in accordance with GASB 40, the custodial credit risk of these investments need not be disclosed.

The county maintains a cash and investment pool that is used by all county funds and service agencies for which the county provides bookkeeping services. Each fund's portion of this pool is displayed as "cash and cash equivalents" (and investments) on the combined and individual balance sheets.

Deposits: At year-end, the carrying amount of the county's deposits was \$58,812,959 and the bank balance was \$60,736,434. Of the balances, \$800,000 was covered by federal depository insurance in the County's name. The remaining \$59,936,434 is uninsured and uncollateralized.

Investments: Per M.S.A. 3.843 (1), the legislative or governing body of the county has authorized the treasurer to invest surplus funds belonging to and under the control of the commission of the county as follows:

1. In bonds and other direct obligations of the United States or an instrumentality of the United States.
2. In certificates of deposit, saving accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan association which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration.
3. In commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.
4. In United States government or federal agency obligation repurchase agreements.
5. In banker's acceptance of United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2004

NOTE 4 - LONG-TERM NOTE RECEIVABLE

The county has a long-term note receivable from the City of Muskegon Downtown Development Authority (a Michigan nonprofit corporation) dated August 17, 1989 (issued in the face amount of \$1,000,000, interest free), which is held jointly by capital projects and internal service funds.

The note is included in the accompanying combined financial statements at its original face amount. The note is collateralized by a certain tax increment financing plan and by the assignment of the related leases, which are believed to provide adequate assurance for the realization of the notes.

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet”. The details of this \$36,456,902 difference are as follows:

Special Assessment bonds	\$9,075,000
General Obligation Bonds	13,890,000
Building Authority Bonds	7,090,000
Compensated absences	<u>6,401,902</u>
Net adjustment to reduce	
fund balance - total governmental funds to arrive at	
net assets - governmental activities	<u><u>\$36,456,902</u></u>

## NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

## NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - continued

- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that " Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this (\$1,883,517) difference are as follows:

Capital Outlay	\$2,417,681
Internal Service asset purchases	(1,747,555)
Internal Service depreciation	1,101,753
Depreciation Expense as presented for Governmental Activities	<u>(3,655,396)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>(\$1,883,517)</u></u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED  
September 30, 2004

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2004 are summarized as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not depreciable:				
Land	\$4,078,102	\$ -	\$ -	\$4,078,102
Construction in progress	<u>-</u>	<u>1,398,735</u>	<u>-</u>	<u>1,398,735</u>
	4,078,102	1,398,735		5,476,837
Capital assets being depreciated:				
Land Improvements	4,477,458	-	1	4,477,457
Buildings and Improvements	68,200,047	171,007	147,847	68,223,207
Machinery and Equipment	<u>16,368,684</u>	<u>847,939</u>	<u>214,606</u>	<u>17,002,017</u>
Total assets being depreciated	89,046,189	1,018,946	362,454	89,702,681
Less accumulated depreciation for:				
Land Improvements	(816,818)	(177,208)	(1)	(994,025)
Buildings and Improvements	(16,255,199)	(1,586,550)	(14,670)	(17,827,079)
Machinery and Equipment	<u>(11,451,796)</u>	<u>(1,891,638)</u>	<u>(218,231)</u>	<u>(13,125,203)</u>
Total accumulated depreciation	<u>(28,523,813)</u>	<u>(3,655,396)</u>	<u>(232,902)</u>	<u>(31,946,307)</u>
Total capital assets being depreciated, net	<u>60,522,376</u>	<u>(2,636,450)</u>	<u>129,552</u>	<u>57,756,374</u>
 Governmental activities-capital assets, net	 <u>\$64,600,478</u>	 <u>(\$1,237,715)</u>	 <u>\$129,552</u>	 <u>\$63,233,211</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Business-type Activities</b>				
Capital assets, not depreciable:				
Land	\$13,895,672	\$1,115,794	\$ -	\$15,011,466
Construction in progress	<u>13,714,042</u>	<u>197,086</u>	<u>13,053,414</u>	<u>857,714</u>
Total capital assets not being depreciated	<u>\$27,609,714</u>	<u>\$1,312,880</u>	<u>\$13,053,414</u>	<u>\$15,869,180</u>
Capital assets being depreciated:				
Land Improvements	22,161,017	105,695	-	22,266,712
Buildings and Improvements	23,782,105	-	-	23,782,105
Machinery and Equipment	15,590,144	1,469,113	515,018	16,544,239
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	81,551,416	12,197,497	2,642	93,746,271
Capitalized interest and engineering	<u>7,381,808</u>	<u>-</u>	<u>-</u>	<u>7,381,808</u>
Total assets being depreciated	<u>\$159,984,161</u>	<u>\$13,772,305</u>	<u>\$517,660</u>	<u>\$173,238,806</u>



County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Less accumulated depreciation for:				
Land Improvements	(\$10,316,808)	(\$1,253,209)	\$ -	(\$11,570,017)
Buildings and Improvements	(7,945,709)	(700,627)	-	(8,646,336)
Machinery and Equipment	(9,234,524)	(1,202,654)	(408,627)	(10,028,551)
Lagoons	(2,867,536)	(96,320)	-	(2,963,856)
W/W collection and distribution	(34,172,054)	(2,748,747)	(2,643)	(36,918,158)
Capitalized interest and engineering	<u>(3,398,451)</u>	<u>(268,612)</u>	<u>-</u>	<u>(3,667,063)</u>
Total accumulated depreciation	<u>(67,935,082)</u>	<u>(6,270,169)</u>	<u>(411,270)</u>	<u>(73,793,981)</u>
Total business-type assets being depreciated, net	<u>92,049,079</u>	<u>7,502,136</u>	<u>106,390</u>	<u>99,444,825</u>
Business-type activities-capital assets, net	<u><u>\$119,658,793</u></u>	<u><u>\$8,815,016</u></u>	<u><u>\$13,159,804</u></u>	<u><u>\$115,314,005</u></u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Judicial	\$40,989
General County Government	2,203,178
Public Safety	239,146
Health	815,529
Welfare	123,274
Culture	33,064
Recreation	<u>200,216</u>
Total Depreciation Expense - Governmental activities	<u>\$3,655,396</u>

Business-type Activities

Solid Waste	\$1,199,947
Airport	691,763
Wastewater	3,720,750
Other Proprietary Funds	<u>657,709</u>
Total Depreciation Expense - business-type activities	<u>\$6,270,169</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2004 was as follows:

	Balance October 1, <u>2003</u>	Additions	Reductions	Balance September 30, <u>2004</u>	Due within <u>one year</u>
<u>Governmental Activities</u>					
Bonds Payable:					
<b>Special Assessment with Governmental commitment</b>					
Muskegon County Water Supply System No. 1 Bonds-payable in annual installment of \$300,000 in 2004 with interest at 5.0% (8711) (Issued \$6,000,000)	\$300,000		(\$300,000)	\$0	
Series II - payable in annual installment of \$100,000 in 2005 with interest at 7.4% (8713) (Issued \$2,150,000)	200,000		(100,000)	100,000	100,000
Fruitport Sewer Bond - payable in increasing annual installments ranging from \$50,000 in 2005 to \$250,000 in 2020 with interest from 4.7% to 6.5% (8715) (Issued \$2,680,000)	2,630,000		(50,000)	2,580,000	50,000

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2003</u>	Additions	Reductions	Balance September 30, <u>2004</u>	Due within <u>one year</u>
Series II - payable in increasing annual installments ranging from \$225,000 in 2005 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000)	5,950,000		(200,000)	5,750,000	225,000
Northside Water Project Bonds - payable in increasing annual installments ranging from \$35,000 in 2005 to \$40,000 in 2021 with interest at 5% (8719) (Issued \$1,100,000)	680,000		(35,000)	645,000	35,000
Laketon Township Extension Bonds - payable in annual installment of \$150,000 in 2004 with interest at 6.4% (8834) (Issued \$2,800,000)	150,000		(150,000)	0	
<b>General Obligation Bonds:</b>					
Quality of Life Project Bond - payable in annual installment of \$550,000 in 2004 with interest at 7.875% (3110) (Issued \$2,425,000)	550,000		(550,000)	0	

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2003</u>	Additions	Reductions	<u>Balance September 30, 2004</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$710,000 in 2005 to \$1,505,000 in 2016 with interest from 4% to 4.85%. (3111) (Issued \$14,000,000)	13,765,000		(75,000)	13,690,000	710,000
Muskegon County Mental Health Center Bonds (refunded) - payable in an annual installment of \$200,000 in 2005 with interest at 4.25% (3141) (Issued \$1,625,000)	435,000		(235,000)	200,000	200,000
<b>Building Authority Bonds:</b>					
Muskegon County Mental Health Center Bonds (refunded) - payable in 3 installments of \$175,000 in 2008 to 2010 with interest at 5.0% (3142) (Issued \$625,000)	525,000			525,000	

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2003</u>	Additions	Reductions	<u>Balance September 30, 2004</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Muskegon County Health Center Bonds - payable in decreasing annual installments ranging from \$150,000 in 2005 to \$140,000 in 2007 with interest from 4.25% to 4.35% (3143) (Issued \$1,255,000)	590,000		(155,000)	435,000	150,000
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$205,000 in 2005 to \$520,000 in 2022 with interest from 4.25% to 5.0% (3130) (Issued \$6,500,000)	<u>6,320,000</u>	<u>          </u>	<u>(190,000)</u>	<u>6,130,000</u>	<u>205,000</u>
Total Bonds Payable	32,095,000	0	(2,040,000)	30,055,000	1,675,000

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2003</u>	Additions	Reductions	Balance September 30, <u>2004</u>	Due within <u>one year</u>
<u>Governmental Activities</u> - continued					
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	171,116		(23,560)	147,556	25,516
Installment note Payable in 60 monthly principal installments of \$24,775 plus interest at 4.12% until June 2009 (6660)		1,605,959	(74,325)	1,531,634	300,174
Installment note Payable in 60 monthly principal installments of \$44,100 plus interest at 3.34% until December 2008 (6660)		2,839,041	(396,900)	2,442,141	542,934
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>6,180,002</u>	<u>4,051,555</u>	<u>(3,829,655)</u>	<u>6,401,902</u>	<u>3,706,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$38,446,118</u>	<u>\$8,496,555</u>	<u>(\$6,364,440)</u>	<u>\$40,578,233</u>	<u>\$6,249,624</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2004</u>	<u>Due within one year</u>
<u>Business-Type Activities</u>					
Bonds Payable					
<b>Revenue Bonds:</b>					
1989 Muskegon County Wastewater Management System No. 1 Bonds Refunded - payable in an annual installment of \$1,650,000 in 2005 with interest at 5.7% (3914) (Issued \$13,750,000)	3,335,000		(1,685,000)	1,650,000	1,650,000
Wastewater Bond - payable in increasing annual installments ranging from \$390,000 in 2005 to \$850,000 in 2026 with interest from 3.5% to 5.00% (5935) (Issued \$17,000,000)	16,870,000		(245,000)	16,625,000	390,000
Wastewater Bond - payable in increasing annual installments ranging from \$200,000 in 2005 to \$2,090,000 in 2008 with interest from 2.25% to 5.00% (5936) (Issued \$6,990,000)	6,740,000		(210,000)	6,530,000	200,000
<b>Building Authority Bonds:</b>					
Muskegon County Fairgrounds - (Refunded) payable in decreasing annual installments to \$215,000 in 2005 to \$185,000 in 2009 with interest from 6.05% to 6.25% (5083) (Issued \$1,985,000)	1,165,000		(170,000)	995,000	215,000



County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2004</u>	<u>Due within one year</u>
Muskegon County Airport Terminal - payable in increasing annual installments ranging from \$180,000 in 2005 to \$280,000 in 2013 with interest from 5.30% to 5.625% (5810) (Issued \$2,995,000)	<u>2,160,000</u>	<u>          </u>	<u>(125,000)</u>	<u>2,035,000</u>	<u>180,000</u>
Total Bonds Payable	30,270,000	0	(2,435,000)	27,835,000	2,635,000

**General Obligation Tax Notes**

2001 - payable in annual installment of \$1,500,000 in 2004 with interest ranging at 3.90% (5161) (Issued \$9,000,000)	1,500,000		(1,500,000)		
2002 - payable in annual installment of \$1,500,000 in 2005 with interest at 1.7% (5162) (Issued \$9,000,000)	9,000,000		(7,500,000)	1,500,000	1,500,000
2003 - payable in annual installments of \$3,500,000 in 2005, \$4,000,000 in 2006, and \$1,500,000 in 2005 with interest at 3.0% (5163) (Issued \$9,000,000)	<u>          </u>	<u>9,000,000</u>	<u>          </u>	<u>9,000,000</u>	<u>7,500,000</u>
Total General Obligation Tax Notes	10,500,000	9,000,000	(9,000,000)	10,500,000	9,000,000

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2004</u>	<u>Due within one year</u>
<b>Note Payable:</b>					
Fourteen year promissory note payable for infrastructure improvements at 5.75% - converted to a Federal Grant in 2004	<u>2,500,350</u>	<u>          </u>	<u>(2,500,350)</u>	<u>          </u>	<u>          </u>
Total Business-Type Activities long-term liabilities	<u>\$43,270,350</u>	<u>\$9,000,000</u>	<u>(\$13,935,350)</u>	<u>\$38,335,000</u>	<u>\$11,635,000</u>
Total all long-term liabilities	<u>\$81,716,468</u>	<u>\$17,496,555</u>	<u>(\$20,299,790)</u>	<u>\$78,913,233</u>	<u>\$17,884,624</u>

The special assessment bonds were issued by the county pursuant to contracts entered into with the City of Norton Shores, Egelston Township, Muskegon Township, Laketon Township, and Fruitport Township for the financing of additional sewage collection and disposal and water supply systems for the contractees. Under the terms of the agreements, the contractees are to pay the county each year amounts sufficient to provide for debt service. The full faith and credit of the county and that of the respective participating municipalities are pledged for repayment of the bonds.

The Muskegon County Wastewater Management System No. 1 Bonds issued are a general obligation (revenue) bond issue repayable from the proceeds of contract payments by participating users in the system. The full faith and credit of the county and that of participating municipalities are pledged for repayment of the bonds. The General Obligation tax notes are issued by the county to pay the various local units of government their respective share of delinquent property taxes. The notes are collateralized by the assets of the respective Delinquent Tax Revolving Funds (\$18,430,389 at September 30, 2004) and the full faith and credit of the county.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 7 - LONG-TERM DEBT - Continued

The General Obligation Debt of the county is issued to pay for the construction of a new Community Mental Health Center repayable from building leases and patient revenues. In addition, ad valorem taxes can be levied if revenues are not sufficient to cover debt service requirements. In 1995, the voters approved a 16 million General Obligation Bond issued in 1996 for renovation of an arts and sports complex. Millage of .47 mills has been levied for the repayment of the bonds through the last bond payment in the year 2016. The full faith and credit of the county is pledged for repayment of the bonds. County Building Authority Bonds were used to remodel the former Family Independence Agency building, to build a new County fairground, to build a new airport terminal, and to remodel the County Hall of Justice. Lease payments are pledged for the payment of annual debt service along with the full faith and credit of the county.

The total requirement for payment of principal and interest amount to \$78,913,233 and \$25,048,859, respectively, at September 30, 2004 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004-2008	\$16,606,865	\$5,709,246	\$21,595,000	\$4,929,824
2009-2013	10,646,368	4,800,068	5,690,000	3,497,881
2014-2018	9,700,000	1,982,832	4,250,000	2,313,700
2019-2023	3,625,000	285,308	4,250,000	1,275,000
2024-2026	<u>0</u>	<u>0</u>	<u>2,550,000</u>	<u>255,000</u>
Total	<u>\$40,578,233</u>	<u>\$12,777,454</u>	<u>\$38,335,000</u>	<u>\$12,271,405</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2004

<u>Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Principal due every five years</u>
	<u>Special Assessments</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	
2004	100,000						
2005	310,000	910,000	355,000	2,240,000	395,000	9,000,000	
2006	360,000	775,000	360,000	2,300,000	395,000	1,500,000	
2007	360,000	850,000	365,000	2,420,000	400,000		
2008	410,000	925,000	415,000	2,545,000	400,000		28,090,000
2009	410,000	1,005,000	430,000	850,000	410,000		
2010	460,000	1,095,000	445,000	850,000	235,000		
2011	485,000	1,185,000	285,000	850,000	250,000		
2012	540,000	1,285,000	300,000	850,000	265,000		
2013	595,000	1,395,000	320,000	850,000	280,000		15,925,000
2014	615,000	1,460,000	335,000	850,000			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 7 - LONG TERM DEBT - Continued

	Governmental Activities			Business-type Activities			
<u>Year</u>	<u>Special Assessment</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	<u>Principal due every five years</u>
2015	\$ 640,000	\$1,500,000	\$ 355,000	\$850,000	\$	\$	\$
2016	665,000	1,505,000	375,000	850,000			
2017	690,000		400,000	850,000			
2018	740,000		420,000	850,000			13,950,000
2019	815,000		445,000	850,000			
2020	840,000		470,000	850,000			
2021	40,000		495,000	850,000			
2022			520,000	850,000			
2023				850,000			7,875,000
2024				850,000			
2025				850,000			
2026				850,000			2,550,000
Total all years	<u>\$9,075,000</u>	<u>\$13,890,000</u>	<u>\$7,090,000</u>	<u>\$24,805,000</u>	<u>\$3,030,000</u>	<u>\$10,500,000</u>	<u>\$68,390,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2004

NOTE 7 - LONG -TERM DEBT-Continued

The following fund balances represent long-term debt amounts available in other funds:

Governmental Type Funds	<u>\$1,541,395</u>
Designated for Debt Service	

NOTE 8 - PENSION PLAN

Plan Description

The County of Muskegon has a defined benefit pension plan for its employees that provides retirement, disability and death benefits to its members and beneficiaries. The plan is administered by the Municipal Employees Retirement System (MERS), an agent multiple employer pension plan created under Public Act 135 of 1945. MERS issues a publicly available financial report that includes financial statements and required supplemental information for the County. This report may be obtained by writing to MERS, 1134 Municipal Way, Lansing , Michigan, 48917, or by calling (517) 703-9030.

Funding Policy

Members are required to contribute from 0-6.28 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 8.0 % of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

Annual Pension Cost

For 2004, the County's annual pension cost was \$2,172,314 with the full amount being paid. The required contribution was determined as part of the December 31, 2002 actuarial valuation, using the entry age actuarial cost method. The actuarial assumptions include: a) 8% Investment Rate of Return (net of administrative expenses) and b) projected salary increases of 4.5-8.66% per year. The actuarial value of the County MERS plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The County's actuarial accrued liability has been overfunded for the past five years. In year 2003, the County is underfunded. Any future unfunded liability would be amortized over the next 30 years. The amortization period is open.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2004

NOTE 8 - PENSION PLAN-Continued

Three Year Trend Information  
(Dollar Amounts in Thousands)

<u>Ending</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>	<u>Obligation</u>
12/31/02	\$ 2,687	100%	0
12/31/03	2,754	100%	0
12/31/04	3,207	100%	0

Analysis of Funding Progress

Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2)-(1)	(5) Annual Covered Payroll	(6) Ratio of Unfunded (Funding excess) to Covered Payroll (4)/(5)
2001	\$ 118,605,823	115,733,438	102 %	( 2,872,385)	39,390,663	( 7) %
2002	119,175,186	128,480,021	93%	9,304,835	41,935,587	22 %
2003	126,002,635	139,437,442	90 %	13,434,807	42,359,877	32 %

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2004, with aggregate minimum monthly rentals of \$3,496. Rental expense under operating leases was \$876,181 for the year ended September 30, 2004.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the combined statements - Overview, of certain information concerning individual funds including:

(a ) Individual fund interfund receivable and payable balances. Such balances at September 30 were:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund (1010)	\$4,449,358	Co-Op Reimb. Pros. (1150)	\$10,304
		Emergency Services (1190)	40,489
		Marine Safety (1200)	57,551
		Sheriff Road Patrol (1210)	63,609
		School Liaison (1230)	31,599
		Friend of the Court (2150)	323,915
		Special Improvement Project (2155)	22,473
		Accommodations Tax (2300)	23,267
		Community Corrections (2640)	46,793
		Prosecutor Drug Fund (2672)	26
		TAA/NAFTA (2733)	5,397
		Economic Development Job Training (2750)	272,300



County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Work First (2751)	162,428
		Food Stamp Program (2759)	30
		WIA Adult Program (2761)	10,652
		WIA Youth Program (2762)	116,672
		WIA Youth Statewide (2766)	3,818
		Incumbent Worker Program (2768)	480
		Reed Act Funds (2769)	635,950
		Crime Victim's Rights (2800)	31,933
		Comp Strategy Implementation Grant (2821)	5,423
		Juvenile Accountability Incentive BG (2831)	3,134
		Community Gun Violence (2832)	29,616
		Brookhaven (2900)	744,476

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Child Care Facility (2920)	582,299
		Veterans Trust (2940)	13,675
		Hall of Justice (4130)	<u>227</u>
		<b>Subtotal Governmental</b>	<b><u>3,238,536</u></b>
		Muskegon County Airport (5810)	<u>1,210,822</u>
		<b>Subtotal Proprietary</b>	<b><u>1,210,822</u></b>
	<u><u>\$4,449,358</u></u>		<u><u>\$4,449,358</u></u>

The interfund balances are mainly cash loans to funds until Federal and State grant reimbursements are received.

b) Transfers in (out) balances. Such balances at September 30 were:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General (1010)	\$1,000,000	\$10,714,663
Co-Op Reimb.-Pros. (1150)	100,870	
Next Gen Implementation (1170)	144,833	
Emergency Services (1190)	193,421	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Marine Safety (1200)	64,178	
School Liaison (1230)	16,806	
Township Patrols (1240)	198,183	
Family Court (2140)	138,624	
Friend of the Court (2150)	1,605,179	
Health Department (2210)	1,738,831	
Community Mental Health (2220)	238,356	
Managed Care (2222)	595,136	
Accommodations Tax (2300)		106,595
Parks Development (2411)	15,048	
Budget Stabilization (2570)	300,000	
Law Library (2610)	21,687	
Community Corrections (2640)	389,980	
Prosecutor Drug Fund (2672)	2,936	
Library (2710)	865,835	

## NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

## NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

## b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Crime Victim's Rights (2800)	4,678	
Juv. Account. Incent. BG (2831)	11,001	
Community Gun Violence (2832)	20,440	
EDC Loan Revolving (2860)	41,911	
Cherry Hill Loan (2871)		41,911
Remonumentation Prog. (2890)	2,212	
Social Services (2910)	9,322	
Child Care Facility (2920)	2,700,520	
Hall of Justice (3130)	480,469	
Hall of Justice (4130)	171,007	
Northside Water- Mi Adv. (4150)	93,683	
Musk Twp Sewer/Water (4640)	49,682	
Public Improvement (4930)	62,512	11,311
Fairgrounds Operations (5083)	229,893	
Delinquent Tax Revolving (5161)		6,757,205
Delinquent Tax Revolving (5162)	6,757,205	1,422,081

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Solid Waste Mgmt (5710)		64,730
Muskegon County Airport (5810)	1,012,421	62,511
Muskegon Co. Airport Capital contributions (5810)	11,310	
Muskegon Area Transit Sys (5880)		45,000
Muskegon Trolley Comp. (5890)	45,000	
Northside Water O & M (5910)		69,000
Equipment Revolving (6660)		171,007
Drain Project (8010)	63,845	
Northside Water System (8719)	<u>69,000</u>	
	<u>\$19,466,014</u>	<u>\$19,466,014</u>

The transfers are primarily from the General fund to support Federal and State grant programs

c) Excess of expenditures over budget in individual funds

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Next Generation Implementation (1170)	\$141,367	\$144,833
Prosecutor Family Court (2140)	180,008	184,366
Health Department (2210)	7,052,306	7,963,027
Law Library (2610)	21,617	28,536
Community Corrections (2640)	1,361,216	1,401,287
Library (2710)	1,642,586	1,650,999
Work First (2751)	1,154,903	1,246,578
WIA Youth Statewide (2766)	12,221	14,876

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

c) Excess of expenditures over budget in individual funds - continued

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Reed Act Funds (2769)	2,454,932	2,766,607
Juv. Accountability Incentive Block Grant (2831)	47,215	52,216
Community Gun Violence (2832)	119,710	126,948
EDC Loan Revolving (2860)	35,615	44,503
Victim Restitution (2980)	6,000	6,953
Water and Sewer Debt (3650)	875,183	1,267,474

All expenditures over appropriations have either been paid by excess revenues, operating transfers from other funds or by the reductions of current fund balance.

d) Individual fund advances to and from other funds

<u>Fund</u>	<u>Advances to other funds</u>	<u>Advances from other funds</u>
General Fund (1010)	\$588,618	
Solid Waste (5710)	104,102	
Muskegon County Airport (5810)		\$1,210,281
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		671,220
Insurance (6770)	<u>1,210,281</u>	
	<u>\$1,903,001</u>	<u>\$1,903,001</u>

All advances are for capital purchases in the Airport and Equipment revolving funds that will be repaid as funds are made available in the respective funds receiving the advances. The Drain Revolving fund advance will only be repaid if the activities in these funds cease to occur or management determines that there is a better way to handle the activities.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 11- COMMITMENTS

The County has two \$1,000,000 letters of credit with a local financial institution to cover any possible shortfalls in the County's coverage of the solid waste and fly ash landfills. The statutory authority for these obligations is PA Act 451 of 1994, Section 324.11523 (a).

NOTE 12- OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the County provides post-retirement health care benefits, in accordance with County policies, to all employees who retire from the County on or after attaining the age of 55 with at least 15 years of service. Currently 351 retirees meet those eligibility requirements. The County pays up to 100 percent of the amount of premium (depending on length of service at time of retirement) for medical and hospitalization costs and reimburses retirees for a portion of their dental costs. The County also pays 100 percent of the premium for a Medicare supplement for each retiree eligible for Medicare. Expenditures for post-retirement health care benefits are recognized as retirees report claims and as invoices are received from the insurance carrier. A separate trust fund has been established and funded for the continued payment of these benefits for retirees. During the year, expenditures of \$2,632,789 were recognized for post-retirement health care. The amount of net assets available in the trust fund for future benefit payments was \$13,606,338 as of September 30, 2004.

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. The County has a self-insurance (internal service) fund to account for and finance its uninsured risk of losses. Under this program, the self-insurance fund provides coverage for up to a maximum of \$300,000 for each Workers' Compensation claim, \$250,000 for each general liability claim, \$50,000 for each property damage claim, \$100,000 for each auto claim and the County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County purchases commercial insurance for claims in excess of the stated coverages and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

All funds of the County participate in the program and make payments to the self-insurance fund based on experience estimates of the amounts needed to pay prior and current year claims and to establish a designation for catastrophic losses with the exception of Brookhaven Workers' Compensation claims which are funded directly by the department on actual claims paid. The designated amount at September 30, 2004 was \$6,959,817. The claim's liability of \$3,914,504 reported in the fund at September 30, 2004, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

Changes in the funds claims liability amount in fiscal 2003 and 2004 were:

	<u>Beginning of year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim Payments</u>	<u>Balance at end of year</u>
2003	4,070,500	7,118,905	(7,339,903)	3,849,502
2004	3,849,502	8,308,996	(8,243,994)	3,914,504

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Solid Waste landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfills stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$9 million reported as landfill closure and post-closure care liability at September 30, 2004 represents the cumulative amount reported to date based on the use of 47 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 12 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$19.2 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2004. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance unanticipated closure and post-closure care. The County is in compliance with these requirements at September 30, 2004. The County expects that future inflation costs will be paid from interest earnings in the Solid Waste Funds. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by the trust fund set up for this purpose.



County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 15 - DISCRETE ENTITY NOTES

The following note relates to the Muskegon County Road Commission notes as they appear in their report. The notes are presented here to assure fair disclosure for those items as they appear in this comprehensive annual financial report.

(a) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences

The road commission accrues unused portions of vacation pay in the period the fund liability is incurred. As permitted by GASB 16, the vesting method is used to accrue the sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, a liability for these amounts is reported in the governmental fund only for employee terminations as of year end.

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the commission's deposits was \$4,156,953 and the bank balance was \$4,390,849. Of the bank balance, \$200,000 was covered by federal depository insurance and \$4,190,849 was exposed to custodial credit risk as it was uninsured and uncollateralized.

Investments: The road commission place no limit on the amount it may invest in any one insurer. More than 5% of the road commission's investments are in Huntington National Bank money market accounts. This investment is 100% of the road commission's total investments.

## NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

## NOTE 15 - DISCRETE ENTITY NOTES - Continued

## c) FIXED ASSETS

A summary of changes in capital assets for the year follows:

	Balance October 1, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2004</u>
<b>Capital Assets not being depreciated</b>				
Land and improvements	\$4,862,222	\$446,587	\$ -	\$5,308,809
Construction in progress	<u>-</u>	<u>2,557,506</u>	<u>-</u>	<u>2,557,506</u>
Total Capital Assets not being depreciated	<u>\$4,862,222</u>	<u>\$3,004,093</u>	<u>\$ -</u>	<u>\$7,866,315</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	\$3,872,078	\$30,784	\$12,426	\$3,890,436
Road equipment	7,978,536	528,924	264,531	8,242,929
Other equipment	2,259,025	68,550	184,870	2,142,705
Infrastructure and improvements	<u>9,683,109</u>	<u>1,578,799</u>	<u>-</u>	<u>11,261,908</u>
Total capital assets depreciated	23,792,748	2,207,057	461,827	25,537,978
<b>Accumulated depreciation</b>				
Buildings	(1,777,950)	(135,857)	(9,043)	(1,904,764)
Road equipment	(6,676,652)	(534,669)	(250,437)	(6,960,884)
Other equipment	(1,579,056)	(110,562)	(184,037)	(1,505,581)
Infrastructure and improvements	<u>(827,951)</u>	<u>(576,032)</u>	<u>-</u>	<u>(1,403,983)</u>
Total accumulated depreciation	<u>(10,861,609)</u>	<u>(1,357,120)</u>	<u>(443,517)</u>	<u>(11,775,212)</u>
Total Net Capital Assets	<u>\$17,793,361</u>	<u>\$3,854,030</u>	<u>\$18,310</u>	<u>\$21,629,081</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 15 - DISCRETE ENTITY NOTES - Continued

(d) Depreciation expense was charged to functions as follows:

Primary road	\$ 686,001
Local Road	574,805
State trunkline	76,498
Administrative	19,816
Total depreciation expense	<u>\$ 1,357,120</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2004:

\$2,000,000 Michigan Transportation Fund Notes, Series 2004; due in annual installments of \$200,000 through 2014; interest at 3.00% to 4.00% (unamortized premium \$15,472).	\$2,000,000
Long Term Compensated Absences	<u>282,031</u>
Total governmental activities long-term liabilities	<u>\$2,282,031</u>

A summary of bonds and loans and long-term compensated absences transactions for the year ended September 30, 2004 follows:

Balance at beginning of year	\$273,879
Additions	2,008,152
Deductions	<u>-</u>
Balance at end of year	<u>\$2,282,031</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2004

NOTE 16- RECONCILIATION OF CAPITAL OUTLAY

Capital outlay expenditures for governmental funds differ from amounts capitalized. The differences are detailed as follows:

Total capital purchases as reported in the governmental funds :	\$1,309,830
Adjustments	
Prior year purchases	137,195
Capital projects not County owned	(774,898)
Timing differences	(2,001)
Internal Service purchases	<u>1,747,555</u>
Net Assets capitalized	<u><u>\$2,417,681</u></u>

NOTE 17 - RESTATED NET ASSETS - BEGINNING OF YEAR

In 2004, the County realized that special assessments with governmental commitment deferred revenue should be recognized on a full accrual basis in the government-wide financial statements. As such, beginning net assets for the government-wide financial statements was increased by \$9,205,000 to fully recognize the deferred revenue in the debt service fund for special assessments from 2003. This changes the beginning balance from \$50,602,331 to \$59,807,331.

NOTE 18 - SUBSEQUENT EVENT

The State of Michigan issued an audit report for Community Mental Health for prior years indicating an amount due back to the State of \$4.3 million. The County disagrees with a majority of the findings. With the appeal process and contemplated court action, it could be a number of years before the audit is finalized and the amount of payback is actually determined. As such, no liability has been recognized on these financial statements.

## Required Supplementary Information

### County of Muskegon

#### Schedule of Revenues, Expenditures and Changes in

#### Fund Balances - Budget and Actual

#### General and Major Special Revenue Funds

Year Ended September 30, 2004

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 21,652,811	\$ 21,707,378	\$ 21,714,201	\$ 6,823	\$ -	\$ -	\$ -	\$ -
Licenses and permits	19,500	19,500	24,222	4,722	-	-	-	-
Operating grants and contributions	5,259,011	4,972,175	4,932,658	(39,517)	3,358,388	3,024,917	3,409,432	384,515
Charges for services	9,368,900	9,573,338	9,645,749	72,411	13,031,303	13,397,449	12,918,554	(478,895)
Fines and forfeitures	812,500	810,000	828,194	18,194	-	-	-	-
Investment income	430,000	300,000	381,374	81,374	137,400	51,300	54,573	3,273
Rentals	147,574	143,369	131,749	(11,620)	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Contributions from private sources	175,000	25,000	20,077	(4,923)	24,700	106,900	759,076	652,176
Other	376,475	495,874	544,996	49,122	22,300	28,400	542,619	514,219
<b>Total revenues</b>	<b>38,241,771</b>	<b>38,046,634</b>	<b>38,223,220</b>	<b>176,586</b>	<b>16,574,091</b>	<b>16,608,966</b>	<b>17,684,254</b>	<b>1,075,288</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	395,196	405,405	384,134	21,271	-	-	-	-
Judicial	6,345,260	6,341,726	6,204,100	137,626	-	-	-	-
General County government	12,822,219	12,506,724	12,017,914	488,810	-	-	-	-
Public safety	9,275,666	9,422,939	9,255,801	167,138	-	-	-	-
Health	-	-	-	-	16,722,960	16,597,995	17,081,262	(483,267)
Welfare	-	-	-	-	-	-	-	-
Culture	101,441	136,626	130,915	5,711	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	199,952	238,452	233,242	5,210	-	-	-	-
Capital outlay	7,450	40,099	6,618	33,481	70,100	46,731	31,631	15,100
<b>Debt service</b>								
Principal payments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>29,147,184</b>	<b>29,091,971</b>	<b>28,232,724</b>	<b>859,247</b>	<b>16,793,060</b>	<b>16,644,726</b>	<b>17,112,893</b>	<b>(468,167)</b>
<b>Revenues over (under) expenditures</b>	<b>9,094,587</b>	<b>8,954,663</b>	<b>9,990,496</b>	<b>1,035,833</b>	<b>(218,969)</b>	<b>(35,760)</b>	<b>571,361</b>	<b>607,121</b>
<b>Other financing sources (uses)</b>								
Sales of Fixed Assets	-	32,250	33,583	1,333	-	-	-	-
Transfers in	1,318,534	1,399,556	1,000,000	(399,556)	218,969	35,760	238,356	202,596
Transfers (out)	(10,413,121)	(10,386,469)	(10,714,663)	(328,194)	-	-	-	-
	<b>(9,094,587)</b>	<b>(8,954,663)</b>	<b>(9,681,080)</b>	<b>(726,417)</b>	<b>218,969</b>	<b>35,760</b>	<b>238,356</b>	<b>202,596</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>309,416</b>	<b>309,416</b>	<b>-</b>	<b>-</b>	<b>809,717</b>	<b>809,717</b>
<b>Fund balance at beginning of year (as restated - see note 20)</b>	<b>7,176,991</b>	<b>7,176,991</b>	<b>7,176,991</b>	<b>-</b>	<b>36,974</b>	<b>36,974</b>	<b>36,974</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 7,176,991</b>	<b>\$ 7,176,991</b>	<b>\$ 7,486,407</b>	<b>\$ 309,416</b>	<b>\$ 36,974</b>	<b>\$ 36,974</b>	<b>\$ 846,691</b>	<b>\$ 809,717</b>

## Required Supplementary Information

### County of Muskegon

#### Schedule of Revenues, Expenditures and Changes in

#### Fund Balances - Budget and Actual (continued)

#### General and Major Special Revenue Funds

Year Ended September 30, 2004

	Managed Care - 2222				Brookhaven Medical Care Facility - 2900			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Operating grants and contributions	4,486,154	4,159,579	3,510,975	(648,604)	-	-	-	-
Charges for services	38,102,354	38,606,361	38,040,160	(566,201)	11,494,000	25,759,925	25,766,030	6,105
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	52,700	33,300	30,051	(3,249)	14,000	1,000	1	(999)
Rentals	-	-	-	-	10,000	15,000	18,813	3,813
Special assessments	-	-	-	-	-	-	-	-
Contributions from private sources	682,156	490,256	549,830	59,574	300	150	102	(48)
Other	684,600	1,291,446	835,132	(456,314)	250	300	515	215
<b>Total revenues</b>	<b>44,007,964</b>	<b>44,580,942</b>	<b>42,966,148</b>	<b>(1,614,794)</b>	<b>11,518,550</b>	<b>25,776,375</b>	<b>25,785,461</b>	<b>9,086</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	44,343,056	45,235,991	43,635,765	1,600,226	11,344,303	26,242,093	26,327,811	(85,718)
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital outlay	91,200	60,000	36,030	23,970	75,000	75,000	35,884	39,116
<b>Debt service</b>								
Principal payments	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>44,434,256</b>	<b>45,295,991</b>	<b>43,671,795</b>	<b>1,624,196</b>	<b>11,419,303</b>	<b>26,317,093</b>	<b>26,363,695</b>	<b>(46,602)</b>
<b>Revenues over (under) expenditures</b>	<b>(426,292)</b>	<b>(715,049)</b>	<b>(705,647)</b>	<b>9,402</b>	<b>99,247</b>	<b>(540,718)</b>	<b>(578,234)</b>	<b>(37,516)</b>
<b>Other financing sources (uses)</b>								
Sales of Fixed Assets	4,500	4,500	-	(4,500)	-	-	1,287	1,287
Transfers in	421,792	710,549	595,136	(115,413)	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
	<b>426,292</b>	<b>715,049</b>	<b>595,136</b>	<b>(119,913)</b>	<b>-</b>	<b>-</b>	<b>1,287</b>	<b>1,287</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(110,511)</b>	<b>(110,511)</b>	<b>99,247</b>	<b>(540,718)</b>	<b>(576,947)</b>	<b>(36,229)</b>
<b>Fund balance at beginning of year (as restated - see note 20)</b>	<b>110,511</b>	<b>110,511</b>	<b>110,511</b>	<b>-</b>	<b>854,925</b>	<b>854,925</b>	<b>854,925</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 110,511</b>	<b>\$ 110,511</b>	<b>\$ -</b>	<b>(\$ 110,511)</b>	<b>\$ 954,172</b>	<b>\$ 314,207</b>	<b>\$ 277,978</b>	<b>(\$ 36,229)</b>

## **Required Supplementary Information**

### ***County of Muskegon***

***September 30, 2004***

#### **Budgetary Information**

Through its budget, the County allocates resources and establishes priorities based on submissions of requests by its departments and outside agencies. An annual budget assures that the County uses its limited resources efficiently and effectively. The budget also assures that its highest priority projects are completed. The budgetary basis of accounting is GAAP.

The annual budget serves from October 1<sup>st</sup> to September 30<sup>th</sup> of each year. It establishes the base for sound financial planning. It also provides performance measures and controls to permit the evaluation and adjustment of County resources as the need arises.

The County of Muskegon's budget has four major categories; personnel, supplies, services, and capital outlay. Personnel, supplies and services are recurring expenses (operational) while capital outlay are expenditures that are one time in nature. The capital outlay costs are for those items of a permanent nature that have a unit cost of \$1,000 or more.

The budgetary process starts in February when departments receive budget worksheets with assumptions that project expenses for the coming year. Departments add/change/modify these worksheets based on changing priorities and submit them to the budget department. The budget department reviews the worksheets for accuracy, and in conjunction with administration, suggest changes based on priorities as defined by the Board of Commissioners and revenue constraints. After administration review, departments go before the Board in a public meeting to discuss its priorities. In August, a draft budget is sent to the Ways and Means committee for final review. In August or September, the Board approves the final budget for the coming fiscal year.

#### **Budgetary highlights**

A one time early payoff of City of Muskegon TIFA bonds brought in an additional \$118,000.

Interest rates stayed at their low levels contrary to expectations. This caused a decrease in expected revenue of \$130,000.

The national recession impacted State revenue sharing funds with a loss to the County of \$291,000.

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2004*

### **Budgetary amendments to the original budget**

During the year, events occurred that caused our priorities to shift and therefore our budget to be modified. Some of the significant items were:

#### **General Fund**

- An decrease in the Register of Deeds revenue budget of \$200,000 resulting from weaker activity in the real estate and refinancing markets.
- A one time increase of \$100,000 in telephone fees for an early signing bonus on inmate telephones.
- A increase in State prison reimbursements of \$320,000. This revenue stream is dependent upon State prison overcrowding conditions.
- A decrease in ticket surcharges for use of County facilities. The original budget of \$150,000 was revised to \$77,000 due to Board changes in the contracts.
- An decrease of \$144,000 for prisoner reimbursement under the new “pay it back” program with work release. Acceptance by the community were less than expected.
- Wages increases for employees were budgeted at 3% and came in at 2.3%
- Medical costs were budgeted for a 20% increase and came in at 4.2%
- Increases in property and general liability insurances resulted in an increase of \$155,000 in costs.



## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2004*

### **Other Funds**

The expenditures over budget in the Community Mental Health fund were covered by additional private sources revenues

The expenditures over budget in the Brookhaven fund were covered by increased fees for services.

Fund description	Budget	Actual
Community Mental Health (2220)	\$16,644,726	\$17,112,893
Brookhaven (2900)	\$26,317,093	\$26,363,695

Expenditures in the departments of the General Fund were covered either by additional revenue or by reduction of fund balance

**Required Supplementary Information**

***County of Muskegon***

***Municipal Employees Retirement System of Michigan***

***Schedule of Funding Progress***

***Year ended September 30, 2004***

Actuarial Valuation Date	Actual Asset Value	Entry Age Actuarial Accrued Liability	UnderFunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll
12/31/01	\$118,605,823	\$115,733,438	(\$2,872,385)	102.5%	\$39,390,663	(7) %
12/31/02	119,175,186	128,480,021	9,304,835	92.8%	41,935,587	22 %
12/31/03	126,002,635	139,437,442	13,434,807	90.4%	42,359,877	32 %

## ***County of Muskegon***

### ***Budget and actual by Department - General Fund***

***Year Ended September 30, 2004***

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
101 Board of Commissioners	\$ 395,196	\$ 405,405	\$ 384,134	\$ 21,271
131 Circuit Court	1,247,772	1,249,957	1,203,980	45,977
136 District Court	3,175,166	3,150,413	3,097,802	52,611
137 Probation Cobo Hall Tax	138,613	137,501	137,748	(247)
145 Jury Commission	33,200	34,100	32,176	1,924
148 Probate Court	700,953	695,805	670,068	25,737
151 State Probation	80,425	82,886	74,696	8,190
164 Public Defender	944,982	968,315	960,769	7,546
171 Administration	894,410	836,970	784,480	52,490
191 Elections	133,317	133,307	80,507	52,800
201 Accounting	589,678	544,640	540,900	3,740
210 Corporate Counsel	317,946	330,606	313,999	16,607
215 County Clerk	401,149	397,791	396,190	1,601
216 Circuit Court Records	423,642	409,481	397,742	11,739
225 Equalization	1,513,748	1,485,641	1,352,436	133,205
226 Human Resources	440,102	434,025	420,262	13,763
229 Prosecutor	1,812,858	1,780,144	1,781,116	(972)
233 Purchasing	238,015	240,457	237,230	3,227
236 Register of Deeds	544,942	533,790	529,787	4,003
242 Training Center	68,496	64,362	57,809	6,553
248 Stark Hall	40,515	27,328	26,694	634
252 Transfers	1,070,691	1,070,691	1,056,077	14,614
253 Treasurer	681,164	709,142	710,763	(1,621)
260 Shady Grove Cemetery	4,873	4,063	2,992	1,071

## ***County of Muskegon***

***Budget and actual by Department - General Fund - continued***

***Year Ended September 30, 2004***

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
263 Cordova Site O&M	\$ 31,918	\$ 27,319	\$ 22,090	\$ 5,229
265 Courthouse and Grounds	878,475	950,134	898,086	52,048
266 Information Services	75,385	75,642	72,828	2,814
268 Oak Ave. Building	129,574	123,869	114,862	9,007
269 Harris Building	46,754	45,702	44,327	1,375
271 County Jail Building	311,486	299,624	321,732	(22,108)
273 Heritage Landing O&M	147,266	178,521	121,069	57,452
275 Drain Commissioner	255,232	253,135	253,973	(838)
284 Plat Board	916	916	(21)	937
285 Gypsy Moth	363,136	64,750	24,301	40,449
297 Vehicle Pool	16,160	14,160	17,507	(3,347)
301 Sheriff Operations	3,810,886	3,976,882	3,906,980	69,902
305 Sheriff Administration	359,091	355,302	344,898	10,404
320 Officer Training Act 302	11,500	12,000	10,742	1,258
350 Correction Officer Training	-	68,000	28,832	39,168
351 Sheriff Jail	5,101,639	5,018,454	4,969,629	48,825
441 Dept. of Public Works	52,707	59,477	51,332	8,145
650 State Institutions	201,636	210,000	191,622	18,378
731 MSU Extension	101,441	136,626	130,915	5,711
941 Misc Contingency	517,953	710,919	707,675	3,244
959 Information Systems	842,176	783,719	748,990	34,729

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for specific activities (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Cooperative Reimbursement-Prosecutor (1150)--to account for monies granted to the county by the Michigan Family Independence Agency for the prosecuting attorney's department to provide services to aid ADC recipients in accordance with the HHS approved state plan to establish paternity and securing child support.

Next Generation Implementation (1170)- - to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of installing an information center and central calendar system with an increase in collections initiative.

Emergency Services (1190)--to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of maintaining a department to provide essential services during emergency or disaster conditions.

Marine Safety (1200)--to account for monies granted to the county by the Department of Natural Resources and appropriated from the General Fund for the purpose of establishing a comprehensive marine safety program in the county and to provide sheriff's patrol and protection for the county's Lake Michigan shoreline and inland lakes and waterways.

Sheriff Road Patrol (1210)--to account for monies granted to the county by the state for the purpose of providing additional car miles of traffic safety enforcement, emergency assistance, safety inspection and accident prevention patrol of roads and parks as described in P.A. 416 of 1978.

School Liaison (1230)--to account for monies granted by the federal government in providing salary and benefits for an office to work with Ravenna Public Schools.

Township Patrols (1240)--to account for monies received by the county from participating townships to provide enhanced road patrol protection to those geographic areas.

Park Fund (2080)--to account for monies received by park fees and vehicle permits and county appropriations for operation and administration of all park lands and properties in Muskegon County.

Prosecutor Family Court (2140)--to account for monies received by the county from the Family Independence Agency to hire personnel who are assigned to the Family Court Division to represent children in abuse/neglect cases.

Friend of the Court (2150)--to account for monies received by Muskegon County from state grants. The money is used to assist in establishing paternity and securing child support payments.

Family Court Re-Entry Initiative (2152)--to account for monies received by Muskegon County from state grants. The money is used to reduce the placement of juveniles in youth homes and bring them back into the community faster.

Special Improvement project (2155)--to account for monies received by Muskegon County from federal grants. The money is used for restorative justice for juveniles.

Health Department (2210)--to account for monies received by Muskegon County from federal and state grants. The Health Department is a large complex system servicing county residents by providing numerous programs. Some examples are: environmental health, air pollution, communicable disease, alcohol prevention, dental care, maternity care, family planning, personal health and nurses support.

Accommodations Tax (2300)--to account for the collection and related expenses connected with a five percent excise tax which is imposed on all persons engaged in the business of providing rooms for transient guests within the County of Muskegon. It has been adopted pursuant to Act No. 263, Public Acts of the State of Michigan, 1974 and an ordinance adopted by the Muskegon County Board of Commissioners on February 20, 1981.

Parks Development (2411)--to account for monies received by Muskegon County from state and local grants to finance improvements to various county parks.

CDBG Home Rehab (2470)--to account for federal pass-through funds from the State Department of Commerce to administer community development as contracted with the West Michigan Shoreline Regional Development Commission. These funds are mostly targeted at households at or below 50% of the area median income.

Deed Automation Fund (2560)--to account for fees collected to enhance and maintain technology in the register of deeds office.

Budget Stabilization (2570)--to account for monies appropriated from the county for the purpose of maintaining the current level and quality of public service. Funds are to be used only in the occurrence of an identified shortfall during any single budget period.

Law Library (2610)--to account for monies set aside for the purpose of maintaining a law library.

Community Corrections (2640)--to account for monies granted to the county by the state to provide alternatives such as tethers, bail screening and additional probation and alleviate jail overcrowding problems.

WMET (2670)--to account for monies earmarked to provide drug law enforcement under the provisions of Public Act 135 of 1985.

TNT Drug (2671)--to account for proceeds of forfeited property seized in connection with a violation of the controlled substance statutes. These funds are set aside for drug law enforcement.

Prosecutor Drug Fund (2672)--to account for the 10% administrative costs assessed to local municipalities on the proceeds of forfeitures in connection with drug related crimes handled by the Prosecutor's Office.

Library (2710)--to account for monies which are set aside for the county library. The county library was established in 1938, under Act 138 of PA 1917, and operates nine branches to promote the development of county citizens. County appropriations, state grants and district court penal fines account for the major revenues in this fund.

Wagner Peyser (2731)--to account for monies for recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge and skills.

TAA/NAFTA (2733)--to account for federal pass-through monies that provide training and economic assistance to workers dislocated as a result of increased foreign trade.

Marketing Grant (2736)--State funds used to create an enhanced awareness within the community for the local career development system and the programs under the purview of the Workforce Development Board.

Reemployment Services (2738)--State funds used to provide services to companies to help employ laid off workers from their organization.

Economic Development Job Training (2750)--to account for state grant monies to expand educational opportunities, encourage the creation of new jobs, retain existing workers in a changing workplace and strengthen the State of Michigan's economic base.

Workfirst (2751)--to account for federal pass-through funds from the Michigan Family Independence Agency to provide occupational skilled training for Muskegon and Oceana county adults.

Food Stamp Program (2759)--to account for monies that provide work activities for those who would otherwise lose food stamp assistance because of the time limits imposed under welfare reform legislation.

WIA Admin Pool (2760)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana Counties under the Workforce Investment Act. These funds are targeted for training and employment programs for the unemployed and economically disadvantaged citizens of Muskegon and Oceana counties.

WIA Adult Program (2761)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana counties under the Workforce Investment Act. These funds are targeted for training and employment of economically disadvantaged adults.

WIA Youth Programs (2762)--federal funds used pursuant to the goals of the local community and Workforce Investment Act to provide youth opportunities for assistance in both academic and occupational learning; developing leadership skills; and preparing for further educational opportunities, additional training, and eventual employment.

WIA Dislocated Worker Program (2763)--federal funds used in coordination with unemployment compensation, Trade Adjustment Assistance and Rapid Response assistance to provide the dislocated worker population job finding, placement, and re-employment services.

Welfare to Work (2764)--federal funds used to assist the welfare population in obtaining gainful employment.

Strategic Planning (2765)--to account for monies granted to the county from the State of Michigan for the development of an integrated strategic plan that addresses the successful achievements of multiple goals of Muskegon County.

WIA Youth Statewide (2766)--funds allocated by the state to supplement WIA Youth Program activities.

Incumbent Worker Program (2768)--to account for federal pass-through funds for assistance to companies in averting layoffs by providing upgraded skills and training to current employees.

Reed Act Funds (2769)--to account for federal pass-through funds to supplement a portion of the existing Work First and Service Center Operations.

WTW Youth Program (2770)--to account for federal pass-through funds for temporary assistance for needy families for the purpose of providing educational and employment services to youth ages 14-19.

Crime Victims' Rights (2800)--to account for federal and state funds received by the county to pay for coordinators to work with and support victims of a crime. The coordinators advise victims of their rights, make referrals to appropriate counseling agencies, if necessary, and acts as a liaison between the victim and the criminal justice system.

Partnership for Adult Learning (2820)--State of Michigan Adult Education Funds used to provide adults with basic education skills, high school completion, English as a second language and workplace literacy skills.

Comp Strategy Implementation Grant (2821)--to account for monies received from the state to fill in gaps in support for youth identified in the restorative justice program.

Juvenile Accountability Incentive Block Grant (2831)--to account for monies to hire personnel to prosecute for juvenile crimes. Remaining funds will cover



drug testing for adjudicated individuals, training, substance abuse assessments and group treatment.

Community Gun Violence (2832)--to account for federal pass-through funds for developing and sharing information on crimes involving guns across local, state and federal information systems

EDC Loan Revolving (2860)--to account for monies granted from the State of Michigan Department of Commerce to accommodate loans made by the County of Muskegon Economic Development Commission to area businesses for expansion of those businesses.

Cherry Hill Loan (2871)--to account for monies from the state for the purpose of encouraging economic development and business expansion in the county.

Rambusch-Fuchs CDBG Grant (2873)--to account for monies from the federal government for use in the construction of a commercial lighting company in the County of Muskegon.

Remonumentation Program (2890)--to account for grants received from the State of Michigan for surveying and reestablishing section corners.

Social Welfare (2910)--to account for state funds for providing assistance in housing, food and child care for the indigent population in Muskegon County

Child Care Facility (2920)--to account for state grant monies and county appropriations to aid children who need to be placed outside their homes, supporting a centralized care facility for children and the support of foster children in foster care homes.

Veteran's Trust (2940)--to account for monies received from the state to aid U.S. military veterans who are residents of the State of Michigan and County of Muskegon.

Mental Health Buildings (2970)--to record the revenues received from Hackley Hospital and Community Mental Health for use in maintaining the Community Mental Health Building.

Victim Restitution (2980)--to account for fines from juvenile traffic offenders and used to repay victims for property damaged by those juveniles.

### **DEBT SERVICE FUNDS**

Debt services funds are permitted rather than required. The funds listed here are required because financial resources are being accumulated for principal and interest payments maturing in future years.

Quality of Life Debt (3110, 3111)--to account for the accumulation of resources and the payment of general long term debt principal and interest associated with the Frauenthal Center and Walker Arena renovations.

Hall of Justice Debt (3130)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Hall of Justice.

Psychiatric Facility Debt (3141)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the psychiatric facility.

Halmond Center Debt (3142/3143)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Halmond Center.

### **CAPITAL PROJECTS FUNDS**

The use of capital project funds is permitted rather than required. Capital project funds are used to report major capital acquisitions or construction separately from the County's ongoing operations. Capital projects for proprietary and trust funds are reported within their respective funds.

Hall of Justice (4130)--to account for revenues and expenditures associated with the renovation of the building previously known as the County Building into a Hall of Justice.

Northside Water-Michigan Adventure (4150)--to account for revenues and expenditures to build water and sewer lines to a major amusement park.

Heritage Landing (4180)--to account for revenues and expenditures associated with the improvement and development of the county's lakefront property.

Fruitport Township Project (4615)--to account for revenues and expenditures for the extension of the sewer lines within Fruitport.

Fruitport/Norton Shores Sewer Project (4618)--to account for revenues and expenditures for constructing a water supply system facility to serve property in the Fruitport Charter Township and the City of Norton Shores located in the County of Muskegon.

Muskegon Township Sewer/Water (4640)--to account for revenues and expenditures for extending a water and sewer supply system facility to serve property in Muskegon Charter Township located in the County of Muskegon.

Public Improvement (4930)--established by appropriation from the county's General Fund for future general projects developed according to the county's

capital improvement budgeting program. While its use is intended for capital improvements, it is not restricted to that purpose.

Capital Improvement (4960)--to account for resources used for the acquisition of capital facilities. Its purpose is to accumulate funds to finance, entirely or partially, capital projects from resources other than bond indebtedness. It is restricted to capital improvement expenditures.

Drain Revolving (6010)--to account for monies spent by the Drain Commissioner prior to actual levies for specific drain work. The monies for this purpose are loaned from the county's General Fund and replenished as assessments are made.

Drain Projects (8010)--to account for the monies received and expended by the Drain Commissioner for the purpose of creating, extending, and repairing drains within the county.

### **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings from investments within the fund can be used to support the programs that they were originally designed.

Cemetery Trust (1500)--to account for monies earned and expended on the flower maintenance of Cemetery plots in County maintained cemeteries

Medical Care Facility Endowment (1550)--to account for monies earned and expended for the residents of the Brookhaven Medical Care Facility

# County of Muskegon

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2004

September 30, 2004	SPECIAL REVENUE						
	Cooperative Reimbursement Prosecutor (1150)	Next Generation Implementation (1170)	Emergency Services (1190)	Marine Safety (1200)	Sheriff Road Patrol (1210)	School Liaison (1230)	Township Patrols (1240)
ASSETS							
Cash and cash equivalents	\$ -	\$ 4,049	\$ -	\$ -	\$ -	\$ -	\$ 43,214
Receivables							
Accounts	-	-	13,088	-	-	35,346	6,544
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	21,303	-	134,969	68,916	95,630	-	-
Accrued Interest	-	2	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 21,303</u>	<u>\$ 4,051</u>	<u>\$ 148,057</u>	<u>\$ 68,916</u>	<u>\$ 95,630</u>	<u>\$ 35,346</u>	<u>\$ 49,758</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 941	\$ -	\$ 83,241	\$ 340	\$ 23,617	\$ -	\$ -
Intergovernmental payable	-	-	750	-	-	-	-
Accrued liabilities	10,058	4,051	3,575	6,025	8,404	3,747	9,970
Due to other funds	10,304	-	40,489	57,551	63,609	31,599	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	39,788
	<u>21,303</u>	<u>4,051</u>	<u>128,055</u>	<u>63,916</u>	<u>95,630</u>	<u>35,346</u>	<u>49,758</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	20,002	5,000	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>20,002</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,303</u>	<u>\$ 4,051</u>	<u>\$ 148,057</u>	<u>\$ 68,916</u>	<u>\$ 95,630</u>	<u>\$ 35,346</u>	<u>\$ 49,758</u>

***County of Muskegon***  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2004

September 30, 2004	SPECIAL REVENUE						
	Park Fund (2080)	Prosecutor Family Court (2140)	Friend of the Court (2150)	Family Court Re-entry Initiative (2152)	Special Improvement Project (2155)	Health Department (2210)	Accommodations Tax (2300)
ASSETS							
Cash and cash equivalents	\$ 80,523	\$ 11,541	\$ -	\$ 164,023	\$ -	\$ 682,864	\$ -
Receivables							
Accounts	-	-	3,925	-	-	58,585	63,713
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	3,496	726,336	59,087	22,473	33,611	-
Accrued Interest	294	-	-	598	-	27	12
Prepaid Items	-	-	-	-	-	16,256	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 80,817</u>	<u>\$ 15,037</u>	<u>\$ 730,261</u>	<u>\$ 223,708</u>	<u>\$ 22,473</u>	<u>\$ 791,343</u>	<u>\$ 63,725</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 6,863	\$ -	\$ 40,765	\$ 30,784	\$ -	\$ 391,504	\$ 6,171
Intergovernmental payable	-	-	17,337	-	-	9,720	-
Accrued liabilities	12,153	6,725	129,523	5,424	-	270,140	4,943
Due to other funds	-	-	323,915	-	22,473	-	23,267
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	20,535	-
	<u>19,016</u>	<u>6,725</u>	<u>511,540</u>	<u>36,208</u>	<u>22,473</u>	<u>691,899</u>	<u>34,381</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	61,801	8,312	218,721	187,500	-	99,444	29,344
Undesignated	-	-	-	-	-	-	-
	<u>61,801</u>	<u>8,312</u>	<u>218,721</u>	<u>187,500</u>	<u>-</u>	<u>99,444</u>	<u>29,344</u>
	<u>\$ 80,817</u>	<u>\$ 15,037</u>	<u>\$ 730,261</u>	<u>\$ 223,708</u>	<u>\$ 22,473</u>	<u>\$ 791,343</u>	<u>\$ 63,725</u>

***County of Muskegon***

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2004

September 30, 2004	SPECIAL REVENUE						
	Parks Development (2411)	CDBG Home Rehab (2470)	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)	WMET (2670)
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 220,375	\$ 1,700,000	\$ 4,633	\$ -	\$ 19,252
Receivables							
Accounts	-	-	755	-	349	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	138,756	-
Accrued Interest	-	-	1,460	-	-	-	19
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,590</u>	<u>\$ 1,700,000</u>	<u>\$ 4,982</u>	<u>\$ 138,756</u>	<u>\$ 19,271</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ -	\$ -	\$ 175	\$ -	\$ 4,982	\$ 72,339	\$ -
Intergovernmental payable	-	-	-	-	-	2,580	-
Accrued liabilities	-	-	-	-	-	17,044	-
Due to other funds	-	-	-	-	-	46,793	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>175</u>	<u>-</u>	<u>4,982</u>	<u>138,756</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	222,415	-	-	-	19,271
Undesignated	-	-	-	1,700,000	-	-	-
	<u>-</u>	<u>-</u>	<u>222,415</u>	<u>1,700,000</u>	<u>-</u>	<u>-</u>	<u>19,271</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,590</u>	<u>\$ 1,700,000</u>	<u>\$ 4,982</u>	<u>\$ 138,756</u>	<u>\$ 19,271</u>

***County of Muskegon***  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2004

September 30, 2004	SPECIAL REVENUE						
	TNT Drug (2671)	Prosecutor Drug Fund (2672)	Library (2710)	Wagner Peyser (2731)	TAA/NAFTA (2733)	Marketing Grant (2736)	Reemployment Services (2738)
ASSETS							
Cash and cash equivalents	\$ 83,272	\$ -	\$ 116,905	\$ 62,198	\$ -	\$ 10,280	\$ 31,063
Receivables							
Accounts	1,031	-	1,347	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	104,401	59,371	-	1,066
Accrued Interest	997	26	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 85,300</u>	<u>\$ 26</u>	<u>\$ 118,252</u>	<u>\$ 166,599</u>	<u>\$ 59,371</u>	<u>\$ 10,280</u>	<u>\$ 32,129</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 122	\$ -	\$ 5,294	\$ 166,599	\$ 53,974	\$ 10,280	\$ 32,129
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	43,667	-	-	-	-
Due to other funds	-	26	-	-	5,397	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>122</u>	<u>26</u>	<u>48,961</u>	<u>166,599</u>	<u>59,371</u>	<u>10,280</u>	<u>32,129</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	85,178	-	69,291	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>85,178</u>	<u>-</u>	<u>69,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 85,300</u>	<u>\$ 26</u>	<u>\$ 118,252</u>	<u>\$ 166,599</u>	<u>\$ 59,371</u>	<u>\$ 10,280</u>	<u>\$ 32,129</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2004

September 30, 2004	SPECIAL REVENUE						
	Economic Development Job Training (2750)	Workfirst (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 11,668	\$ -	\$ -	\$ 397,136
Receivables							
Accounts	-	-	-	-	-	2,747	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	282,325	657,371	940	29,994	111,527	161,822	48,180
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 282,325</u>	<u>\$ 657,371</u>	<u>\$ 940</u>	<u>\$ 41,662</u>	<u>\$ 111,527</u>	<u>\$ 164,569</u>	<u>\$ 445,316</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 10,025	\$ 494,943	\$ 910	\$ 6,166	\$ 100,875	\$ 46,917	\$ 445,316
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	35,496	-	980	-
Due to other funds	272,300	162,428	30	-	10,652	116,672	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>282,325</u>	<u>657,371</u>	<u>940</u>	<u>41,662</u>	<u>111,527</u>	<u>164,569</u>	<u>445,316</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 282,325</u>	<u>\$ 657,371</u>	<u>\$ 940</u>	<u>\$ 41,662</u>	<u>\$ 111,527</u>	<u>\$ 164,569</u>	<u>\$ 445,316</u>



***County of Muskegon***  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2004

September 30, 2004	SPECIAL REVENUE						
	Welfare to Work (2764)	Strategic Planning (2765)	WIA Youth Statewide (2766)	Incumbent Worker Program (2768)	Reed Act Funds (2769)	WTW Youth Program (2770)	Crime Victims' Rights (2800)
ASSETS							
Cash and cash equivalents	\$ 1,489	\$ 62,816	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	4,037	480	1,327,199	-	36,897
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 1,489</u>	<u>\$ 62,816</u>	<u>\$ 4,037</u>	<u>\$ 480</u>	<u>\$ 1,327,199</u>	<u>\$ -</u>	<u>\$ 36,897</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 1,489	\$ 62,816	\$ 219	\$ -	\$ 691,249	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	4,964
Due to other funds	-	-	3,818	480	635,950	-	31,933
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>1,489</u>	<u>62,816</u>	<u>4,037</u>	<u>480</u>	<u>1,327,199</u>	<u>-</u>	<u>36,897</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 1,489</u>	<u>\$ 62,816</u>	<u>\$ 4,037</u>	<u>\$ 480</u>	<u>\$ 1,327,199</u>	<u>\$ -</u>	<u>\$ 36,897</u>

***County of Muskegon***  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2004

September 30, 2004	SPECIAL REVENUE						
	Partner for Adult Learning(PAL) (2820)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)	EDC Loan Revolving (2860)	Cherry Hill Loan (2871)	Rambusch-Fuchs CDBG Grant (2873)
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 316,266	\$ -	\$ 3,549
Receivables							
Accounts	-	-	-	-	79,294	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	11,790	4,999	33,539	-	-	-
Accrued Interest	-	-	-	-	2,635	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 11,790</u>	<u>\$ 4,999</u>	<u>\$ 33,539</u>	<u>\$ 398,195</u>	<u>\$ -</u>	<u>\$ 3,549</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ -	\$ 4,089	\$ -	\$ -	\$ 176	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	1,865	3,923	-	-	-
Due to other funds	-	5,423	3,134	29,616	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>9,512</u>	<u>4,999</u>	<u>33,539</u>	<u>176</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	2,278	-	-	398,019	-	3,549
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>2,278</u>	<u>-</u>	<u>-</u>	<u>398,019</u>	<u>-</u>	<u>3,549</u>
	<u>\$ -</u>	<u>\$ 11,790</u>	<u>\$ 4,999</u>	<u>\$ 33,539</u>	<u>\$ 398,195</u>	<u>\$ -</u>	<u>\$ 3,549</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2004

	SPECIAL REVENUE						DEBT SERVICE
	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3110)/(3111)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 62,029	\$ -	\$ -	\$ 442,588	\$ 39,403	\$ 1,093,883
Receivables							
Accounts	-	21,957	3,928	-	6,426	15	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	111,989	828,149	16,162	-	-	-
Accrued Interest	-	-	-	-	3,716	338	15,967
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 195,975</u>	<u>\$ 832,077</u>	<u>\$ 16,162</u>	<u>\$ 452,730</u>	<u>\$ 39,756</u>	<u>\$ 1,109,850</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 32,975	\$ 164,080	\$ 2,487	\$ 29,200	\$ 500	\$ -
Intergovernmental payable	-	163,000	-	-	-	-	-
Accrued liabilities	-	-	85,698	-	451	-	50,904
Due to other funds	-	-	582,299	13,675	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	314,216	-	-
	<u>-</u>	<u>195,975</u>	<u>832,077</u>	<u>16,162</u>	<u>343,867</u>	<u>500</u>	<u>50,904</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	108,863	-	1,058,946
Undesignated	-	-	-	-	-	39,256	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,863</u>	<u>39,256</u>	<u>1,058,946</u>
	<u>\$ -</u>	<u>\$ 195,975</u>	<u>\$ 832,077</u>	<u>\$ 16,162</u>	<u>\$ 452,730</u>	<u>\$ 39,756</u>	<u>\$ 1,109,850</u>

***County of Muskegon***

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2004

	DEBT SERVICE			CAPITAL PROJECTS			
	Hall of Justice Debt (3130)	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)	Hall of Justice (4130)	Northside Water Michigan Adventure (4150)	Heritage Landing (4180)	Fruitport Twp Project (4615)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 118,961	\$ 37,531	\$ 19,087	\$ -	\$ 93,374	\$ 17,108	\$ -
Receivables							
Accounts	-	2,962	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	1	314	211	227	-	22	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 118,962</u>	<u>\$ 40,807</u>	<u>\$ 19,298</u>	<u>\$ 227</u>	<u>\$ 93,374</u>	<u>\$ 17,130</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ -	-	\$ -	\$ 93,374	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	118,962	3,542	18,730	-	-	-	-
Due to other funds	-	-	-	227	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>118,962</u>	<u>3,542</u>	<u>18,730</u>	<u>227</u>	<u>93,374</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	37,265	568	-	-	17,130	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>37,265</u>	<u>568</u>	<u>-</u>	<u>-</u>	<u>17,130</u>	<u>-</u>
	<u>\$ 118,962</u>	<u>\$ 40,807</u>	<u>\$ 19,298</u>	<u>\$ 227</u>	<u>\$ 93,374</u>	<u>\$ 17,130</u>	<u>\$ -</u>

**County of Muskegon**

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2004

	CAPITAL PROJECTS						PERMANENT FUNDS
	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Public Improvement (4930)	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,763,205	\$ 319,938	\$ 1,050,149	\$ 38,252	\$ 19,212	\$ 352,372	\$ 34,758
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	2,288	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	15,087	2,413	8,986	-	-	2,522	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	500,000	300,000	-	-	-
	<u>\$ 1,778,292</u>	<u>\$ 322,351</u>	<u>\$ 1,559,135</u>	<u>\$ 338,252</u>	<u>\$ 21,500</u>	<u>\$ 354,894</u>	<u>\$ 34,758</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 114,736	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued liabilities	-	259	-	-	-	3,658	-
Due to other funds	-	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	21,500	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>114,995</u>	<u>-</u>	<u>-</u>	<u>21,500</u>	<u>3,658</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	500,000	300,000	-	-	-
Unreserved							
Designated for programs	1,778,292	207,356	1,059,135	38,252	-	351,236	34,758
Undesignated	-	-	-	-	-	-	-
	<u>1,778,292</u>	<u>207,356</u>	<u>1,559,135</u>	<u>338,252</u>	<u>-</u>	<u>351,236</u>	<u>34,758</u>
	<u>\$ 1,778,292</u>	<u>\$ 322,351</u>	<u>\$ 1,559,135</u>	<u>\$ 338,252</u>	<u>\$ 21,500</u>	<u>\$ 354,894</u>	<u>\$ 34,758</u>

***County of Muskegon***

Non-Major Governmental Funds

Combining Balance Sheet

September 30, 2004

	PERMANENT FUNDS	
	Medical Care Facility Endowment (1550)	Total All Funds
ASSETS		
Cash and cash equivalents	\$ 19,078	\$ 9,548,044
Receivables		
Accounts	-	302,012
Assessments receivable-deferred	-	2,288
Intergovernmental	-	5,136,815
Accrued Interest	176	56,050
Prepaid Items	-	16,256
Long-term Note receivable	-	800,000
	<u>\$ 19,254</u>	<u>\$ 15,861,465</u>
LIABILITIES AND FUND BALANCE		
Accounts Payable	\$ -	3,232,662
Intergovernmental payable	-	193,387
Accrued liabilities	-	864,881
Due to other funds	-	2,494,060
Long-term advance from other funds	-	21,500
Deferred revenue	-	374,539
	<u>-</u>	<u>7,181,029</u>
Fund balance (deficit)		
Reserved for long-term note receivable	-	800,000
Unreserved		
Designated for programs	19,254	6,141,180
Undesignated	-	1,739,256
	<u>19,254</u>	<u>8,680,436</u>
	<u>\$ 19,254</u>	<u>\$ 15,861,465</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						
	Cooperative Reimbursement Prosecutor (1150)	Next Generation Implementation (1170)	Emergency Services (1190)	Marine Safety (1200)	Sheriff Road Patrol (1210)	School Liaison (1230)	Township Patrols (1240)
Revenues							
Grants							
State	\$ 71,179	\$ -	\$ -	\$ 85,609	\$ 217,766	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	138,172	-	445,014	-	35,209	-	-
Local Units	-	-	-	-	-	131,572	221,815
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	994	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	45,623	436	-	-	-
	<u>209,351</u>	<u>-</u>	<u>491,631</u>	<u>86,045</u>	<u>252,975</u>	<u>131,572</u>	<u>221,815</u>
Expenditures							
Current Operations							
Judicial	-	144,833	-	-	-	-	-
General County government	310,221	-	-	-	-	-	-
Public Safety	-	-	523,831	150,223	238,075	148,378	419,998
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	161,742	-	14,900	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>310,221</u>	<u>144,833</u>	<u>685,573</u>	<u>150,223</u>	<u>252,975</u>	<u>148,378</u>	<u>419,998</u>
Revenues over (under) expenditures	(100,870)	(144,833)	(193,942)	(64,178)	-	(16,806)	(198,183)
Other financing sources (uses)							
Transfers in	100,870	144,833	193,421	64,178	-	16,806	198,183
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>100,870</u>	<u>144,833</u>	<u>193,421</u>	<u>64,178</u>	<u>-</u>	<u>16,806</u>	<u>198,183</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	(521)	-	-	-	-
Fund balance at beginning of year	-	-	20,523	5,000	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 20,002	\$ 5,000	\$ -	\$ -	\$ -

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						
	Park Fund (2080)	Prosecutor Family Court (2140)	Friend of the Court (2150)	Family Court Re-entry Initiative (2152)	Special Improvement Project (2155)	Health Department (2210)	Accommodations Tax (2300)
Revenues							
Grants							
State	\$ -	\$ 54,054	\$ 887,496	\$ 43,555	\$ -	\$ 1,053,186	\$ -
Federal	-	-	-	-	129,260	-	-
Federal pass-thru	-	-	1,661,356	166,108	-	2,668,898	-
Local Units	-	-	-	-	-	98,007	-
Charges for services rendered	544,575	-	226,507	-	-	2,051,052	-
Taxes	-	-	-	-	-	265,805	758,637
Contributions from private sources	-	-	-	-	-	3,177	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	433	-	-	1,445	-	187	61
Rentals	-	-	-	-	-	110	-
Other	73	-	63,735	-	-	72,215	-
	<u>545,081</u>	<u>54,054</u>	<u>2,839,094</u>	<u>211,108</u>	<u>129,260</u>	<u>6,212,637</u>	<u>758,698</u>
Expenditures							
Current Operations							
Judicial	-	-	1,106,759	-	-	-	-
General County government	-	184,366	3,317,055	211,108	129,260	-	670,031
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	7,909,857	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	533,222	-	-	-	-	-	-
Capital Outlay	-	-	10,445	-	-	53,170	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>533,222</u>	<u>184,366</u>	<u>4,434,259</u>	<u>211,108</u>	<u>129,260</u>	<u>7,963,027</u>	<u>670,031</u>
Revenues over (under) expenditures	11,859	(130,312)	(1,595,165)	-	-	(1,750,390)	88,667
Other financing sources (uses)							
Transfers in	-	138,624	1,605,179	-	-	1,738,831	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(106,595)
Total other financing sources (uses)	<u>-</u>	<u>138,624</u>	<u>1,605,179</u>	<u>-</u>	<u>-</u>	<u>1,738,831</u>	<u>(106,595)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	11,859	8,312	10,014	-	-	(11,559)	(17,928)
Fund balance at beginning of year	49,942	-	208,707	187,500	-	111,003	47,272
Fund balance at end of year	<u>\$ 61,801</u>	<u>\$ 8,312</u>	<u>\$ 218,721</u>	<u>\$ 187,500</u>	<u>\$ -</u>	<u>\$ 99,444</u>	<u>\$ 29,344</u>



# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						
	Parks Development (2411)	CDBG Home Rehab (2470)	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)	WMET (2670)
Revenues							
Grants							
State	\$ 22,768	\$ -	\$ -	\$ -	\$ -	\$ 834,367	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	6,090	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	259,415	-	349	176,940	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	1,500
Fines and forfeiture	-	-	-	-	6,500	-	-
Investment Income	-	-	2,469	-	-	-	52
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>22,768</u>	<u>6,090</u>	<u>261,884</u>	<u>-</u>	<u>6,849</u>	<u>1,011,307</u>	<u>1,552</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	28,536	-	-
General County government	-	-	117,462	-	-	-	-
Public Safety	-	-	-	-	-	1,401,287	441
Health	-	-	-	-	-	-	-
Welfare	-	6,090	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	37,939	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>37,939</u>	<u>6,090</u>	<u>117,462</u>	<u>-</u>	<u>28,536</u>	<u>1,401,287</u>	<u>441</u>
Revenues over (under) expenditures	(15,171)	-	144,422	-	(21,687)	(389,980)	1,111
Other financing sources (uses)							
Transfers in	15,048	-	-	300,000	21,687	389,980	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>15,048</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>21,687</u>	<u>389,980</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(123)	-	144,422	300,000	-	-	1,111
Fund balance at beginning of year	123	-	77,993	1,400,000	-	-	18,160
Fund balance at end of year	\$ -	\$ -	\$ 222,415	\$ 1,700,000	\$ -	\$ -	\$ 19,271

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						
	TNT Drug (2671)	Prosecutor Drug Fund (2672)	Library (2710)	Wagner Peyser (2731)	TAA/NAFTA (2733)	Marketing Grant (2736)	Reemployment Services (2738)
Revenues							
Grants							
State	\$ -	\$ -	\$ 142,961	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	448,718	220,124	-	43,842
Local Units	-	-	37,368	-	-	-	-
Charges for services rendered	-	-	18,233	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	214	-	23,161	-	-	-	-
Fines and forfeiture	-	-	448,841	-	-	-	-
Investment Income	1,907	-	-	-	-	-	-
Rentals	-	-	4,974	-	-	-	-
Other	4,035	-	146,465	-	-	-	-
	<u>6,156</u>	<u>-</u>	<u>822,003</u>	<u>448,718</u>	<u>220,124</u>	<u>-</u>	<u>43,842</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	63,176	8,344	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	448,718	220,124	-	43,842
Culture	-	-	1,650,999	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	4,418	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>63,176</u>	<u>12,762</u>	<u>1,650,999</u>	<u>448,718</u>	<u>220,124</u>	<u>-</u>	<u>43,842</u>
Revenues over (under) expenditures	(57,020)	(12,762)	(828,996)	-	-	-	-
Other financing sources (uses)							
Transfers in	-	2,936	865,835	-	-	-	-
Sale of Assets	1,585	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,585</u>	<u>2,936</u>	<u>865,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(55,435)	(9,826)	36,839	-	-	-	-
Fund balance at beginning of year	140,613	9,826	32,452	-	-	-	-
Fund balance at end of year	\$ 85,178	\$ -	\$ 69,291	\$ -	\$ -	\$ -	\$ -

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						
	Economic Development Job Training (2750)	Workfirst (2751)	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)
Revenues							
Grants							
State	\$ 82,223	\$ 95,784	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	1,150,794	41,776	321,359	766,904	867,522	869,737
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>82,223</u>	<u>1,246,578</u>	<u>41,776</u>	<u>321,359</u>	<u>766,904</u>	<u>867,522</u>	<u>869,737</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	82,223	1,246,578	41,776	314,227	766,904	867,522	869,737
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	7,132	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>82,223</u>	<u>1,246,578</u>	<u>41,776</u>	<u>321,359</u>	<u>766,904</u>	<u>867,522</u>	<u>869,737</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						
	Welfare to Work (2764)	Strategic Planning (2765)	WIA Youth Statewide (2766)	Incumbent Worker Program (2768)	Reed Act Funds (2769)	WTW Youth Program (2770)	Crime Victims' Rights (2800)
Revenues							
Grants							
State	\$ 103,294	\$ -	\$ -	\$ -	\$ 2,766,607	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	205,099	-	14,876	37,630	-	222,747	165,249
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	25
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,925
	<u>308,393</u>	<u>-</u>	<u>14,876</u>	<u>37,630</u>	<u>2,766,607</u>	<u>222,747</u>	<u>167,199</u>
Expenditures							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	169,924
Health	-	-	-	-	-	-	-
Welfare	308,393	-	14,876	37,630	2,766,607	222,747	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	1,953
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>308,393</u>	<u>-</u>	<u>14,876</u>	<u>37,630</u>	<u>2,766,607</u>	<u>222,747</u>	<u>171,877</u>
Revenues over (under) expenditures	-	-	-	-	-	-	(4,678)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	4,678
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,678</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						
	Partner for Adult Learning(PAL) (2820)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)	EDC Loan Revolving (2860)	Cherry Hill Loan (2871)	Rambusch-Fuchs CDBG Grant (2873)
Revenues							
Grants							
State	\$ 99,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	114,500	41,215	106,508	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	10,300	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	7,927	381	-
Rentals	-	-	-	-	-	-	-
Other	-	14,060	-	-	-	-	-
	<u>99,638</u>	<u>138,860</u>	<u>41,215</u>	<u>106,508</u>	<u>7,927</u>	<u>381</u>	<u>-</u>
Expenditures							
Current Operations							
Judicial	-	-	52,216	126,948	-	-	-
General County government	-	140,314	-	-	44,503	134	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	99,638	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>99,638</u>	<u>140,314</u>	<u>52,216</u>	<u>126,948</u>	<u>44,503</u>	<u>134</u>	<u>-</u>
Revenues over (under) expenditures	-	(1,454)	(11,001)	(20,440)	(36,576)	247	-
Other financing sources (uses)							
Transfers in	-	-	11,001	20,440	41,911	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(41,911)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>11,001</u>	<u>20,440</u>	<u>41,911</u>	<u>(41,911)</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(1,454)	-	-	5,335	(41,664)	-
Fund balance at beginning of year	-	3,732	-	-	392,684	41,664	3,549
Fund balance at end of year	\$ -	\$ 2,278	\$ -	\$ -	\$ 398,019	\$ -	\$ 3,549

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	SPECIAL REVENUE						DEBT SERVICE
	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3110)/(3111)
<b>Revenues</b>							
Grants							
State	\$ 71,249	\$ 839,428	\$ 2,356,929	\$ 25,831	\$ -	\$ -	\$ -
Federal	-	-	27,651	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	7,509	-
Taxes	-	-	-	-	-	-	1,488,084
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	6,722	623	25,956
Rentals	-	-	-	-	222,648	-	-
Other	-	37,473	147,047	-	77,112	-	-
	<u>71,249</u>	<u>876,901</u>	<u>2,531,627</u>	<u>25,831</u>	<u>306,482</u>	<u>8,132</u>	<u>1,514,040</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	6,953	-
Public Safety	-	-	-	-	-	-	-
Health	-	886,223	5,232,147	-	314,278	-	-
Welfare	-	-	-	25,831	-	-	-
Culture	73,461	-	-	-	-	-	759
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	625,000
Interest	-	-	-	-	-	-	651,410
Other	-	-	-	-	-	-	-
	<u>73,461</u>	<u>886,223</u>	<u>5,232,147</u>	<u>25,831</u>	<u>314,278</u>	<u>6,953</u>	<u>1,277,169</u>
Revenues over (under) expenditures	(2,212)	(9,322)	(2,700,520)	-	(7,796)	1,179	236,871
<b>Other financing sources (uses)</b>							
Transfers in	2,212	9,322	2,700,520	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,212</u>	<u>9,322</u>	<u>2,700,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	(7,796)	1,179	236,871
Fund balance at beginning of year	-	-	-	-	116,659	38,077	822,075
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,863</u>	<u>\$ 39,256</u>	<u>\$ 1,058,946</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	DEBT SERVICE			CAPITAL PROJECTS			
	Hall of Justice Debt (3130)	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)	Hall of Justice (4130)	Northside Water Michigan Adventure (4150)	Heritage Landing (4180)	Fruitport Twp Project (4615)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,799	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	707	452	-	-	-	492
Rentals	-	232,534	203,841	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>-</u>	<u>233,241</u>	<u>204,293</u>	<u>-</u>	<u>-</u>	<u>8,799</u>	<u>492</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	250	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	433	1,184	-	93,683	-	181
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	201	-
Capital Outlay	-	-	-	171,007	-	-	132,721
Debt Services							
Principal	190,000	235,000	155,000	-	-	-	-
Interest	290,219	14,189	48,702	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>480,469</u>	<u>249,622</u>	<u>204,886</u>	<u>171,007</u>	<u>93,683</u>	<u>201</u>	<u>132,902</u>
Revenues over (under) expenditures	(480,469)	(16,381)	(593)	(171,007)	(93,683)	8,598	(132,410)
<b>Other financing sources (uses)</b>							
Transfers in	480,469	-	-	171,007	93,683	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>480,469</u>	<u>-</u>	<u>-</u>	<u>171,007</u>	<u>93,683</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>(16,381)</u>	<u>(593)</u>	<u>-</u>	<u>-</u>	<u>8,598</u>	<u>(132,410)</u>
Fund balance at beginning of year	-	53,646	1,161	-	-	8,532	132,410
Fund balance at end of year	<u>\$ -</u>	<u>\$ 37,265</u>	<u>\$ 568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,130</u>	<u>\$ -</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	CAPITAL PROJECTS						PERMANENT FUNDS
	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Public Improvement (4930)	Capital Improvement (4960)	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	119,502	388,668	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	36,470	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	27,177	4,733	16,227	-	-	4,645	188
Rentals	-	-	12,500	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>146,679</u>	<u>393,401</u>	<u>28,727</u>	<u>-</u>	<u>-</u>	<u>41,115</u>	<u>188</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	444
Public Safety	-	-	-	-	-	-	-
Health	503	79,536	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	88,668	156,191	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	215	201	-	74,675	-
	<u>89,171</u>	<u>235,727</u>	<u>215</u>	<u>201</u>	<u>-</u>	<u>74,675</u>	<u>444</u>
<b>Revenues over (under) expenditures</b>	<b>57,508</b>	<b>157,674</b>	<b>28,512</b>	<b>(201)</b>	<b>-</b>	<b>(33,560)</b>	<b>(256)</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	49,682	62,512	-	-	63,845	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	(11,311)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>49,682</u>	<u>51,201</u>	<u>-</u>	<u>-</u>	<u>63,845</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>57,508</b>	<b>207,356</b>	<b>79,713</b>	<b>(201)</b>	<b>-</b>	<b>30,285</b>	<b>(256)</b>
<b>Fund balance at beginning of year</b>	<u>1,720,784</u>	<u>-</u>	<u>1,479,422</u>	<u>338,453</u>	<u>-</u>	<u>320,951</u>	<u>35,014</u>
<b>Fund balance at end of year</b>	<u>\$ 1,778,292</u>	<u>\$ 207,356</u>	<u>\$ 1,559,135</u>	<u>\$ 338,252</u>	<u>\$ -</u>	<u>\$ 351,236</u>	<u>\$ 34,758</u>



# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2004

	PERMANENT FUNDS	
	Medical Care Facility Endowment (1550)	Total All Funds
Revenues		
Grants		
State	\$ -	\$ 9,862,723
Federal	-	156,911
Federal pass-thru	-	10,759,447
Local Units	-	996,932
Charges for services rendered	-	3,321,050
Taxes	-	2,512,526
Contributions from private sources	-	38,377
Fines and forfeiture	-	455,341
Investment Income	318	104,096
Rentals	3,233	679,840
Other	-	610,199
	<u>3,551</u>	<u>29,497,442</u>
Expenditures		
Current Operations		
Judicial	-	1,459,292
General County government	8,229	5,140,330
Public Safety	-	3,123,677
Health	-	14,518,025
Welfare	-	8,383,463
Culture	-	1,725,219
Recreation	-	571,362
Capital Outlay	-	802,347
Debt Services		
Principal	-	1,205,000
Interest	-	1,004,520
Other	-	75,091
	<u>8,229</u>	<u>38,008,326</u>
Revenues over (under) expenditures	(4,678)	(8,510,884)
Other financing sources (uses)		
Transfers in	-	9,507,693
Sale of Assets	-	1,585
Transfers (out)	-	(159,817)
Total other financing sources (uses)	<u>-</u>	<u>9,349,461</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,678)	838,577
Fund balance at beginning of year	<u>23,932</u>	<u>7,841,859</u>
Fund balance at end of year	<u>\$ 19,254</u>	<u>\$ 8,680,436</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2004**

	Cooperative Reimbursement Prosecutor (1150)			Next Generation Implementation (1170)			Emergency Services (1190)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 75,413	\$ 71,179	(\$ 4,234)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	146,390	138,172	(8,218)	-	-	-	1,221,087	445,014	(776,073)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	994	994
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	38,000	45,623	7,623
	<u>221,803</u>	<u>209,351</u>	<u>(12,452)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,259,087</u>	<u>491,631</u>	<u>(767,456)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	141,367	144,833	(3,466)	-	-	-
General County government	319,654	310,221	9,433	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	675,992	523,831	152,161
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	771,033	161,742	609,291
	<u>319,654</u>	<u>310,221</u>	<u>9,433</u>	<u>141,367</u>	<u>144,833</u>	<u>(3,466)</u>	<u>1,447,025</u>	<u>685,573</u>	<u>761,452</u>
<b>Revenues over (under) expenditures</b>	<b>(97,851)</b>	<b>(100,870)</b>	<b>(3,019)</b>	<b>(141,367)</b>	<b>(144,833)</b>	<b>(3,466)</b>	<b>(187,938)</b>	<b>(193,942)</b>	<b>(6,004)</b>
<b>Other financing sources (uses)</b>									
Transfers in	97,851	100,870	3,019	141,367	144,833	3,466	187,938	193,421	5,483
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>97,851</b>	<b>100,870</b>	<b>3,019</b>	<b>141,367</b>	<b>144,833</b>	<b>3,466</b>	<b>187,938</b>	<b>193,421</b>	<b>5,483</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(521)</b>	<b>(521)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,523</b>	<b>20,523</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,523</b>	<b>\$ 20,002</b>	<b>(\$ 521)</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Marine Safety (1200)			Sheriff Road Patrol (1210)			School Liaison (1230)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 98,373	\$ 85,609	(\$ 12,764)	\$ 220,485	\$ 217,766	(\$ 2,719)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	53,959	35,209	(18,750)	-	-	-
Local units	-	-	-	-	-	-	136,427	131,572	(4,855)
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	382	436	54	-	-	-	-	-	-
	<u>98,755</u>	<u>86,045</u>	<u>(12,710)</u>	<u>274,444</u>	<u>252,975</u>	<u>(21,469)</u>	<u>136,427</u>	<u>131,572</u>	<u>(4,855)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	164,541	150,223	14,318	270,844	238,075	32,769	151,898	148,378	3,520
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	3,600	14,900	(11,300)	-	-	-
	<u>164,541</u>	<u>150,223</u>	<u>14,318</u>	<u>274,444</u>	<u>252,975</u>	<u>21,469</u>	<u>151,898</u>	<u>148,378</u>	<u>3,520</u>
<b>Revenues over (under) expenditures</b>	<b>(65,786)</b>	<b>(64,178)</b>	<b>1,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,471)</b>	<b>(16,806)</b>	<b>(1,335)</b>
<b>Other financing sources (uses)</b>									
Transfers in	65,786	64,178	(1,608)	-	-	-	15,471	16,806	1,335
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>65,786</b>	<b>64,178</b>	<b>(1,608)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,471</b>	<b>16,806</b>	<b>1,335</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Township Patrols (1240)			Park Fund (2080)			Prosecutor Family Court (2140)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,054	\$ 54,054	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	221,815	221,815	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	603,647	544,575	(59,072)	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	1,000	433	(567)	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	25	73	48	-	-	-
	<u>221,815</u>	<u>221,815</u>	<u>-</u>	<u>604,672</u>	<u>545,081</u>	<u>(59,591)</u>	<u>54,054</u>	<u>54,054</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	180,008	184,366	(4,358)
Public safety	428,117	419,998	8,119	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	575,931	533,222	42,709	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>428,117</u>	<u>419,998</u>	<u>8,119</u>	<u>575,931</u>	<u>533,222</u>	<u>42,709</u>	<u>180,008</u>	<u>184,366</u>	<u>(4,358)</u>
<b>Revenues over (under) expenditures</b>	<b>(206,302)</b>	<b>(198,183)</b>	<b>8,119</b>	<b>28,741</b>	<b>11,859</b>	<b>(16,882)</b>	<b>(125,954)</b>	<b>(130,312)</b>	<b>(4,358)</b>
<b>Other financing sources (uses)</b>									
Transfers in	206,302	198,183	(8,119)	-	-	-	125,954	138,624	12,670
Sale of Assets	-	-	-	400	-	(400)	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>206,302</b>	<b>198,183</b>	<b>(8,119)</b>	<b>400</b>	<b>-</b>	<b>(400)</b>	<b>125,954</b>	<b>138,624</b>	<b>12,670</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,141</b>	<b>11,859</b>	<b>(17,282)</b>	<b>-</b>	<b>8,312</b>	<b>8,312</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,942</b>	<b>49,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,083</b>	<b>\$ 61,801</b>	<b>(\$ 17,282)</b>	<b>\$ -</b>	<b>\$ 8,312</b>	<b>\$ 8,312</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Friend of the Court (2150)			Family Court Re-entry Initiative (2152)			Special Improvement Project (2155)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 902,242	\$ 887,496	(\$ 14,746)	\$ 45,000	\$ 43,555	(\$ 1,445)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	129,260	129,260	-
Federal pass-thru	1,694,646	1,661,356	(33,290)	215,000	166,108	(48,892)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	224,253	226,507	2,254	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	1,445	1,445	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	53,100	63,735	10,635	-	-	-	-	-	-
	<u>2,874,241</u>	<u>2,839,094</u>	<u>(35,147)</u>	<u>260,000</u>	<u>211,108</u>	<u>(48,892)</u>	<u>129,260</u>	<u>129,260</u>	<u>-</u>
<b>Expenditures</b>									
Current operations									
Judicial	1,094,861	1,106,759	(11,898)	-	-	-	-	-	-
General County government	3,480,717	3,317,055	163,662	260,000	211,108	48,892	129,260	129,260	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	12,425	10,445	1,980	-	-	-	-	-	-
	<u>4,588,003</u>	<u>4,434,259</u>	<u>153,744</u>	<u>260,000</u>	<u>211,108</u>	<u>48,892</u>	<u>129,260</u>	<u>129,260</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>(1,713,762)</b>	<b>(1,595,165)</b>	<b>118,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	1,613,762	1,605,179	(8,583)	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,613,762</u>	<u>1,605,179</u>	<u>(8,583)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(100,000)</b>	<b>10,014</b>	<b>110,014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>208,707</b>	<b>208,707</b>	<b>-</b>	<b>187,500</b>	<b>187,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 108,707</b>	<b>\$ 218,721</b>	<b>\$ 110,014</b>	<b>\$ 187,500</b>	<b>\$ 187,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Health Department (2210)			Accommodations Tax (2300)			Parks Development (2411)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 1,498,617	\$ 1,053,186	(\$ 445,431)	\$ -	\$ -	\$ -	\$ -	\$ 22,768	\$ 22,768
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,622,242	2,668,898	1,046,656	-	-	-	-	-	-
Local units	98,000	98,007	7	-	-	-	-	-	-
Charges for services rendered	1,663,017	2,051,052	388,035	-	-	-	-	-	-
Contributions from private sources	2,218	3,177	959	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	187	187	150	61	(89)	-	-	-
Taxes	263,586	265,805	2,219	762,000	758,637	(3,363)	-	-	-
Rentals	500	110	(390)	500	-	(500)	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	73,065	72,215	(850)	-	-	-	-	-	-
	<u>5,221,245</u>	<u>6,212,637</u>	<u>991,392</u>	<u>762,650</u>	<u>758,698</u>	<u>(3,952)</u>	<u>-</u>	<u>22,768</u>	<u>22,768</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	686,900	670,031	16,869	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	6,985,848	7,909,857	(924,009)	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	26,000	37,939	(11,939)
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	66,458	53,170	13,288	-	-	-	49,000	-	49,000
	<u>7,052,306</u>	<u>7,963,027</u>	<u>(910,721)</u>	<u>686,900</u>	<u>670,031</u>	<u>16,869</u>	<u>75,000</u>	<u>37,939</u>	<u>37,061</u>
<b>Revenues over (under) expenditures</b>	<b>(1,831,061)</b>	<b>(1,750,390)</b>	<b>80,671</b>	<b>75,750</b>	<b>88,667</b>	<b>12,917</b>	<b>(75,000)</b>	<b>(15,171)</b>	<b>59,829</b>
<b>Other financing sources (uses)</b>									
Transfers in	1,790,220	1,738,831	(51,389)	-	-	-	75,000	15,048	(59,952)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(106,595)	(106,595)	-	-	-	-
Total other financing sources (uses)	<u>1,790,220</u>	<u>1,738,831</u>	<u>(51,389)</u>	<u>(106,595)</u>	<u>(106,595)</u>	<u>-</u>	<u>75,000</u>	<u>15,048</u>	<u>(59,952)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(40,841)</b>	<b>(11,559)</b>	<b>29,282</b>	<b>(30,845)</b>	<b>(17,928)</b>	<b>12,917</b>	<b>-</b>	<b>(123)</b>	<b>(123)</b>
<b>Fund balance at beginning of year</b>	<b>111,003</b>	<b>111,003</b>	<b>-</b>	<b>47,272</b>	<b>47,272</b>	<b>-</b>	<b>123</b>	<b>123</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 70,162</b>	<b>\$ 99,444</b>	<b>\$ 29,282</b>	<b>\$ 16,427</b>	<b>\$ 29,344</b>	<b>\$ 12,917</b>	<b>\$ 123</b>	<b>\$ -</b>	<b>(\$ 123)</b>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2004**

	CDBG Home Rehab (2470)			Deed Automation Fund (2560)			Budget Stabilization (2570)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	6,090	6,090	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	260,000	259,415	(585)	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	1,900	2,469	569	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>6,090</u>	<u>6,090</u>	<u>-</u>	<u>261,900</u>	<u>261,884</u>	<u>(16)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	258,486	117,462	141,024	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	6,090	6,090	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	6,300	-	6,300	-	-	-
	<u>6,090</u>	<u>6,090</u>	<u>-</u>	<u>264,786</u>	<u>117,462</u>	<u>147,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	-	-	-	(2,886)	144,422	147,308	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	300,000	300,000
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-	300,000	300,000
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	(2,886)	144,422	147,308	-	300,000	300,000
<b>Fund balance at beginning of year</b>	-	-	-	77,993	77,993	-	1,400,000	1,400,000	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,107</u>	<u>\$ 222,415</u>	<u>\$ 147,308</u>	<u>\$ 1,400,000</u>	<u>\$ 1,700,000</u>	<u>\$ 300,000</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Law Library (2610)			Community Corrections (2640)			WMET (2670)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ 845,131	\$ 834,367	(\$ 10,764)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	500	349	(151)	162,370	176,940	14,570	-	-	-
Contributions from private sources	-	-	-	-	-	-	1,500	1,500	-
Fines and forfeitures	6,500	6,500	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	100	52	(48)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>7,000</u>	<u>6,849</u>	<u>(151)</u>	<u>1,007,501</u>	<u>1,011,307</u>	<u>3,806</u>	<u>1,600</u>	<u>1,552</u>	<u>(48)</u>
<b>Expenditures</b>									
Current operations									
Judicial	21,617	28,536	(6,919)	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	1,361,216	1,401,287	(40,071)	461	441	20
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>21,617</u>	<u>28,536</u>	<u>(6,919)</u>	<u>1,361,216</u>	<u>1,401,287</u>	<u>(40,071)</u>	<u>461</u>	<u>441</u>	<u>20</u>
<b>Revenues over (under) expenditures</b>	<b>(14,617)</b>	<b>(21,687)</b>	<b>(7,070)</b>	<b>(353,715)</b>	<b>(389,980)</b>	<b>(36,265)</b>	<b>1,139</b>	<b>1,111</b>	<b>(28)</b>
<b>Other financing sources (uses)</b>									
Transfers in	14,617	21,687	7,070	353,715	389,980	36,265	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>14,617</b>	<b>21,687</b>	<b>7,070</b>	<b>353,715</b>	<b>389,980</b>	<b>36,265</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,139</b>	<b>1,111</b>	<b>(28)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,160</b>	<b>18,160</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,299</b>	<b>\$ 19,271</b>	<b>(\$ 28)</b>



**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2004**

	TNT Drug (2671)			Prosecutor Drug Fund (2672)			Library (2710)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,083	\$ 142,961	\$ 10,878
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	36,500	37,368	868
Charges for services rendered	-	-	-	-	-	-	28,215	18,233	(9,982)
Contributions from private sources	300	214	(86)	-	-	-	20,695	23,161	2,466
Fines and forfeitures	-	-	-	-	-	-	459,000	448,841	(10,159)
Investment income	2,000	1,907	(93)	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	5,500	4,974	(526)
Special assessments	-	-	-	-	-	-	-	-	-
Other	1,600	4,035	2,435	-	-	-	115,700	146,465	30,765
	<u>3,900</u>	<u>6,156</u>	<u>2,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>797,693</u>	<u>822,003</u>	<u>24,310</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	48,044	63,176	(15,132)	8,344	8,344	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	1,642,586	1,650,999	(8,413)
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	45,000	-	45,000	4,418	4,418	-	-	-	-
	<u>93,044</u>	<u>63,176</u>	<u>29,868</u>	<u>12,762</u>	<u>12,762</u>	<u>-</u>	<u>1,642,586</u>	<u>1,650,999</u>	<u>(8,413)</u>
Revenues over (under) expenditures	(89,144)	(57,020)	32,124	(12,762)	(12,762)	-	(844,893)	(828,996)	15,897
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	2,936	2,936	-	844,893	865,835	20,942
Sale of Assets	2,000	1,585	(415)	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,000</u>	<u>1,585</u>	<u>(415)</u>	<u>2,936</u>	<u>2,936</u>	<u>-</u>	<u>844,893</u>	<u>865,835</u>	<u>20,942</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(87,144)</b>	<b>(55,435)</b>	<b>31,709</b>	<b>(9,826)</b>	<b>(9,826)</b>	<b>-</b>	<b>-</b>	<b>36,839</b>	<b>36,839</b>
Fund balance at beginning of year	140,613	140,613	-	9,826	9,826	-	32,452	32,452	-
Fund balance at end of year	<u>\$ 53,469</u>	<u>\$ 85,178</u>	<u>\$ 31,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,452</u>	<u>\$ 69,291</u>	<u>\$ 36,839</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Wagner Peyser (2731)			TAA/NAFTA (2733)			Marketing Grant (2736)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,280	\$ -	(\$ 10,280)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	650,319	448,718	(201,601)	282,513	220,124	(62,389)	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>650,319</u>	<u>448,718</u>	<u>(201,601)</u>	<u>282,513</u>	<u>220,124</u>	<u>(62,389)</u>	<u>10,280</u>	<u>-</u>	<u>(10,280)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	650,319	448,718	201,601	282,513	220,124	62,389	10,280	-	10,280
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>650,319</u>	<u>448,718</u>	<u>201,601</u>	<u>282,513</u>	<u>220,124</u>	<u>62,389</u>	<u>10,280</u>	<u>-</u>	<u>10,280</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER   (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2004**

	Reemployment Services (2738)			Economic Development Job Training (2750)			Workfirst (2751)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ 350,000	\$ 82,223	(\$ 267,777)	\$ -	\$ 95,784	\$ 95,784
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	44,591	43,842	(749)	-	-	-	1,154,903	1,150,794	(4,109)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>44,591</u>	<u>43,842</u>	<u>(749)</u>	<u>350,000</u>	<u>82,223</u>	<u>(267,777)</u>	<u>1,154,903</u>	<u>1,246,578</u>	<u>91,675</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	44,591	43,842	749	350,000	82,223	267,777	1,154,903	1,246,578	(91,675)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>44,591</u>	<u>43,842</u>	<u>749</u>	<u>350,000</u>	<u>82,223</u>	<u>267,777</u>	<u>1,154,903</u>	<u>1,246,578</u>	<u>(91,675)</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2004**

	Food Stamp Program (2759)			WIA Admin Pool (2760)			WIA Adult Program (2761)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 7,498	\$ -	(\$ 7,498)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	150,000	41,776	(108,224)	540,573	321,359	(219,214)	1,215,456	766,904	(448,552)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>157,498</u>	<u>41,776</u>	<u>(115,722)</u>	<u>540,573</u>	<u>321,359</u>	<u>(219,214)</u>	<u>1,215,456</u>	<u>766,904</u>	<u>(448,552)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	157,498	41,776	115,722	441,075	314,227	126,848	1,215,456	766,904	448,552
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	99,498	7,132	92,366	-	-	-
	<u>157,498</u>	<u>41,776</u>	<u>115,722</u>	<u>540,573</u>	<u>321,359</u>	<u>219,214</u>	<u>1,215,456</u>	<u>766,904</u>	<u>448,552</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2004**

	WIA Youth Programs (2762)			WIA Dislocated Worker Program (2763)			Welfare to Work (2764)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,582	\$ 103,294	(\$ 95,288)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,124,342	867,522	(256,820)	1,417,465	869,737	(547,728)	397,165	205,099	(192,066)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,124,342</u>	<u>867,522</u>	<u>(256,820)</u>	<u>1,417,465</u>	<u>869,737</u>	<u>(547,728)</u>	<u>595,747</u>	<u>308,393</u>	<u>(287,354)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,124,342	867,522	256,820	1,417,465	869,737	547,728	595,747	308,393	287,354
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,124,342</u>	<u>867,522</u>	<u>256,820</u>	<u>1,417,465</u>	<u>869,737</u>	<u>547,728</u>	<u>595,747</u>	<u>308,393</u>	<u>287,354</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Strategic Planning (2765)			WIA Youth Statewide (2766)			Incumbent Worker Program (2768)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 65,872	\$ -	(\$ 65,872)	\$ -	\$ -	\$ -	\$ 96,497	\$ -	(\$ 96,497)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	12,221	14,876	2,655	36,774	37,630	856
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>65,872</u>	<u>-</u>	<u>(65,872)</u>	<u>12,221</u>	<u>14,876</u>	<u>2,655</u>	<u>133,271</u>	<u>37,630</u>	<u>(95,641)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	65,872	-	65,872	12,221	14,876	(2,655)	133,271	37,630	95,641
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>65,872</u>	<u>-</u>	<u>65,872</u>	<u>12,221</u>	<u>14,876</u>	<u>(2,655)</u>	<u>133,271</u>	<u>37,630</u>	<u>95,641</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Reed Act Funds (2769)			WTW Youth Program (2770)			Crime Victims' Rights (2800)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 2,454,932	\$ 2,766,607	\$ 311,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	269,647	222,747	(46,900)	165,249	165,249	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	25	25
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1,925	1,925
	<u>2,454,932</u>	<u>2,766,607</u>	<u>311,675</u>	<u>269,647</u>	<u>222,747</u>	<u>(46,900)</u>	<u>165,249</u>	<u>167,199</u>	<u>1,950</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	171,801	169,924	1,877
Health	-	-	-	-	-	-	-	-	-
Welfare	2,454,932	2,766,607	(311,675)	269,647	222,747	46,900	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	1,953	1,953	-
	<u>2,454,932</u>	<u>2,766,607</u>	<u>(311,675)</u>	<u>269,647</u>	<u>222,747</u>	<u>46,900</u>	<u>173,754</u>	<u>171,877</u>	<u>1,877</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	(8,505)	(4,678)	3,827
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	8,505	4,678	(3,827)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	8,505	4,678	(3,827)
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Partnership for Adult Learning (PAL) (2820)			Comp Strategy Implementation Grant (2821)			Juv Accountability Incentive Block Grant (2831)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
Grants									
State	\$ 420,021	\$ 99,638	(\$ 320,383)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	121,268	114,500	(6,768)	42,274	41,215	(1,059)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	10,300	10,300	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	15,514	14,060	(1,454)	-	-	-
	<u>420,021</u>	<u>99,638</u>	<u>(320,383)</u>	<u>147,082</u>	<u>138,860</u>	<u>(8,222)</u>	<u>42,274</u>	<u>41,215</u>	<u>(1,059)</u>
<b>Expenditures</b>									
Current operations									
Judicial	-	-	-	-	-	-	47,215	52,216	(5,001)
General County government	-	-	-	150,814	140,314	10,500	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	420,021	99,638	320,383	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Debt Services									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>420,021</u>	<u>99,638</u>	<u>320,383</u>	<u>150,814</u>	<u>140,314</u>	<u>10,500</u>	<u>47,215</u>	<u>52,216</u>	<u>(5,001)</u>
Revenues over (under) expenditures	-	-	-	(3,732)	(1,454)	2,278	(4,941)	(11,001)	(6,060)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	4,941	11,001	6,060
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	4,941	11,001	6,060
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	(3,732)	(1,454)	2,278	-	-	-
Fund balance at beginning of year	-	-	-	3,732	3,732	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,278</u>	<u>\$ 2,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**COUNTY OF MUSKEGON**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Budget and Actual**  
**For the Year ended September 30, 2004**

	Community Gun Violence (2832)			EDC Loan Revolving (2860)			Cherry Hill Loan (2871)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	80,000	106,508	26,508	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	6,500	7,927	1,427	600	381	(219)
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>80,000</u>	<u>106,508</u>	<u>26,508</u>	<u>6,500</u>	<u>7,927</u>	<u>1,427</u>	<u>600</u>	<u>381</u>	<u>(219)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	119,710	126,948	(7,238)	-	-	-	-	-	-
General County government	-	-	-	35,615	44,503	(8,888)	266	134	132
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>119,710</u>	<u>126,948</u>	<u>(7,238)</u>	<u>35,615</u>	<u>44,503</u>	<u>(8,888)</u>	<u>266</u>	<u>134</u>	<u>132</u>
<b>Revenues over (under) expenditures</b>	<u>(39,710)</u>	<u>(20,440)</u>	<u>19,270</u>	<u>(29,115)</u>	<u>(36,576)</u>	<u>(7,461)</u>	<u>334</u>	<u>247</u>	<u>(87)</u>
<b>Other financing sources (uses)</b>									
Transfers in	39,710	20,440	(19,270)	41,911	41,911	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(41,911)	(41,911)	-
<b>Total other financing sources (uses)</b>	<u>39,710</u>	<u>20,440</u>	<u>(19,270)</u>	<u>41,911</u>	<u>41,911</u>	<u>-</u>	<u>(41,911)</u>	<u>(41,911)</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,796</u>	<u>5,335</u>	<u>(7,461)</u>	<u>(41,577)</u>	<u>(41,664)</u>	<u>(87)</u>
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>392,684</u>	<u>392,684</u>	<u>-</u>	<u>41,664</u>	<u>41,664</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,480</u>	<u>\$ 398,019</u>	<u>(\$ 7,461)</u>	<u>\$ 87</u>	<u>\$ -</u>	<u>(\$ 87)</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures  
and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	<b>Rambusch-Fuchs CDBG Grant (2873)</b>			<b>Remonumentation Program (2890)</b>			<b>Social Welfare (2910)</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 75,243	\$ 71,249	(\$ 3,994)	\$ 1,140,000	\$ 839,428	(\$ 300,572)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	60,000	37,473	(22,527)
	-	-	-	75,243	71,249	(3,994)	1,200,000	876,901	(323,099)
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	1,211,032	886,223	324,809
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	83,243	73,461	9,782	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	-	-	-	83,243	73,461	9,782	1,211,032	886,223	324,809
<b>Revenues over (under) expenditures</b>	-	-	-	(8,000)	(2,212)	5,788	(11,032)	(9,322)	1,710
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	8,000	2,212	(5,788)	11,032	9,322	(1,710)
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	8,000	2,212	(5,788)	11,032	9,322	(1,710)
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	3,549	3,549	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	\$ 3,549	\$ 3,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Child Care Facility (2920)			Veterans Trust (2940)			Mental Health Buildings (2970)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 2,361,176	\$ 2,356,929	(\$ 4,247)	\$ 26,424	\$ 25,831	(\$ 593)	\$ -	\$ -	\$ -
Federal	26,800	27,651	851	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	6,000	6,722	722
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	222,648	222,648	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	118,950	147,047	28,097	-	-	-	125,424	77,112	(48,312)
	<u>2,506,926</u>	<u>2,531,627</u>	<u>24,701</u>	<u>26,424</u>	<u>25,831</u>	<u>(593)</u>	<u>354,072</u>	<u>306,482</u>	<u>(47,590)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	5,311,288	5,232,147	79,141	-	-	-	332,576	314,278	18,298
Welfare	-	-	-	26,424	25,831	593	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>5,311,288</u>	<u>5,232,147</u>	<u>79,141</u>	<u>26,424</u>	<u>25,831</u>	<u>593</u>	<u>373,076</u>	<u>314,278</u>	<u>58,798</u>
<b>Revenues over (under) expenditures</b>	<b>(2,804,362)</b>	<b>(2,700,520)</b>	<b>103,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,004)</b>	<b>(7,796)</b>	<b>11,208</b>
<b>Other financing sources (uses)</b>									
Transfers in	2,804,362	2,700,520	(103,842)	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,804,362</b>	<b>2,700,520</b>	<b>(103,842)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,004)</b>	<b>(7,796)</b>	<b>11,208</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,659</b>	<b>116,659</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 97,655</b>	<b>\$ 108,863</b>	<b>\$ 11,208</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Victim Restitution (2980)			Quality of Life (3110)/(3111)			Hall of Justice Debt (3130)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	14,000	7,509	(6,491)	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	600	623	23	18,500	25,956	7,456	-	-	-
Taxes	-	-	-	1,383,260	1,488,084	104,824	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>14,600</u>	<u>8,132</u>	<u>(6,468)</u>	<u>1,401,760</u>	<u>1,514,040</u>	<u>112,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	6,000	6,953	(953)	-	-	-	250	250	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	900	759	141	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	625,000	625,000	-	190,000	190,000	-
Interest	-	-	-	651,411	651,410	1	290,219	290,219	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>6,000</u>	<u>6,953</u>	<u>(953)</u>	<u>1,277,311</u>	<u>1,277,169</u>	<u>142</u>	<u>480,469</u>	<u>480,469</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>8,600</b>	<b>1,179</b>	<b>(7,421)</b>	<b>124,449</b>	<b>236,871</b>	<b>112,422</b>	<b>(480,469)</b>	<b>(480,469)</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	480,469	480,469	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480,469</b>	<b>480,469</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>8,600</b>	<b>1,179</b>	<b>(7,421)</b>	<b>124,449</b>	<b>236,871</b>	<b>112,422</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>38,077</b>	<b>38,077</b>	<b>-</b>	<b>822,075</b>	<b>822,075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 46,677</b>	<b>\$ 39,256</b>	<b>(\$ 7,421)</b>	<b>\$ 946,524</b>	<b>\$ 1,058,946</b>	<b>\$ 112,422</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2004**

	Psychiatric Facility Debt (3141)			Halmond Center Debt (3142)/(3143)		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>						
Grants						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-
Local units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	1,100	707	(393)	710	452	(258)
Taxes	-	-	-	-	-	-
Rentals	230,000	232,534	2,534	203,842	203,841	(1)
Special assessments	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>231,100</u>	<u>233,241</u>	<u>2,141</u>	<u>204,552</u>	<u>204,293</u>	<u>(259)</u>
<b>Expenditures</b>						
Current operations						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	584	433	151	1,334	1,184	150
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Debt Services						
Principal	235,000	235,000	-	155,000	155,000	-
Interest	14,189	14,189	-	48,702	48,702	-
Other	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
	<u>249,773</u>	<u>249,622</u>	<u>151</u>	<u>205,036</u>	<u>204,886</u>	<u>150</u>
<b>Revenues over (under) expenditures</b>	<b>(18,673)</b>	<b>(16,381)</b>	<b>2,292</b>	<b>(484)</b>	<b>(593)</b>	<b>(109)</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(18,673)</b>	<b>(16,381)</b>	<b>2,292</b>	<b>(484)</b>	<b>(593)</b>	<b>(109)</b>
<b>Fund balance at beginning of year</b>	<b>53,646</b>	<b>53,646</b>	<b>-</b>	<b>1,161</b>	<b>1,161</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 34,973</b>	<b>\$ 37,265</b>	<b>\$ 2,292</b>	<b>\$ 677</b>	<b>\$ 568</b>	<b>(\$ 109)</b>

# County of Muskegon

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Major Governmental Fund - Water and Sewer Debt Year Ended September 30, 2004

	Water and Sewer Debt - 3650			
	Original Budget	Final Budget	Actual	Difference (+/-)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Operating grants and contributions	-	-	-	-
Charges for services	11,048	11,075	-	(11,075)
Fines and forfeitures	-	-	-	-
Investment income	17,600	34,786	6,252	(28,534)
Rentals	-	-	-	-
Special assessments	800,000	800,000	800,000	-
Contributions from private sources	-	-	-	-
Other	1,719	1,721	465	(1,256)
Total revenues	830,367	847,582	806,717	(40,865)
Expenditures				
Current operations				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	7,780	6,183	1,155	5,028
Capital outlay	-	-	397,318	(397,318)
Debt service				
Principal payments	835,000	835,000	835,000	-
Interest	34,000	34,000	34,001	(1)
Other	-	-	-	-
Total expenditures	876,780	875,183	1,267,474	(392,291)
Revenues over (under) expenditures	(46,413)	(27,601)	(460,757)	(433,156)
Other financing sources (uses)				
Sales of Fixed Assets	-	-	-	-
Transfers in	69,000	69,000	69,000	-
Transfers (out)	-	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	22,587	41,399	(391,757)	(433,156)
Fund balance at beginning of year	836,373	836,373	836,373	-
Fund balance at end of year	\$ 858,960	\$ 877,772	\$ 444,616	(\$ 433,156)

## **NON-MAJOR PROPRIETARY FUNDS**

Fairgrounds Operations (5083)--to account for building and maintaining the county fairgrounds and horse training track. Funds are provided by the renting of horse stalls.

Delinquent Tax Revolving Funds (5100, 5161, 5162, 5163)--to account for monies borrowed in anticipation of delinquent taxes being collected. The purpose of these funds is to pay each local unit, including the county's General Fund, the respective amount of taxes that are not collected as of March 1 of each year.

Fly Ash Program (5711)--to record the revenues received from, and the expenses made for, the disposal of fly ash. Monies for the operation of this fund are provided by charges to Consumers Power and Sappi for services.

Muskegon Area Transit System (5880)--the Muskegon Area Transit System provides public transportation with ten regular routes and two special routes. The sources of funds are the Michigan Department of Transportation (paying 35% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 15% of the operating costs).

Muskegon Trolley Company (5890)--provides local transportation for tourists and special events within the County. All funds are local in nature.

Northside Water (5910)--established for the connections and continued maintenance and operation of a water system for the townships of Dalton, Laketon, and Muskegon.

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**Combining Statement of Net Assets**

**September 30, 2004**

			2001	2002	2003
		Delinquent	Delinquent	Delinquent	Delinquent
	Fairgrounds	Tax	Tax	Tax	Tax
	Operation	Revolving	Revolving	Revolving	Revolving
	(5083)	(5100)	(5161)	(5162)	(5163)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 1,096,337	\$ 29,656	\$ -	\$ 6,208,698	\$ 3,365,103
Accounts receivable	18,600	-	-	7,569	-
Intergovernmental receivable	-	-	-	-	-
Accrued interest receivable	7,327	78	-	74,789	7,259
Current portion of delinquent taxes receivable	-	44,994	-	1,225,262	2,767,247
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	310,087	304,397
Prepaid expenses	109,336	-	-	-	-
Inventories	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total current assets	<u>1,231,600</u>	<u>74,728</u>	<u>-</u>	<u>7,826,405</u>	<u>6,444,006</u>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	-	-	-	-
Land improvements	676,091	-	-	-	-
Buildings	1,857,953	-	-	-	-
Machinery and equipment	<u>92,041</u>				
Total Property and Equipment	<u>2,626,085</u>	-	-	-	-
Less accumulated depreciation	<u>(940,545)</u>	-	-	-	-
Property and Equipment - net	<u>1,685,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DELINQUENT TAXES RECEIVABLE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,875</u>	<u>3,382,191</u>
<b>INTEREST AND PENALTIES RECEIVABLE</b>					
<b>ON DELINQUENT TAXES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,871</u>	<u>372,041</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,917,140</u>	<u>\$ 74,728</u>	<u>\$ -</u>	<u>\$ 8,232,151</u>	<u>\$ 10,198,238</u>



***County of Muskegon***

***Other Non-Major Proprietary Funds***  
***Combining Statement of Net Assets***

***September 30, 2004***

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	2001 Delinquent Tax Revolving (5161)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 3,234	\$ -	\$ -	\$ -	\$ -
Advances payable	-	-	-	-	-
Accrued liabilities	25,481	-	-	8,500	96,000
Current portion of long term debt	215,000	-	-	1,500,000	7,500,000
Total current liabilities	243,715	-	-	1,508,500	7,596,000
<b>NONCURRENT LIABILITIES</b>					
Tax anticipation notes payable	-	-	-	-	1,500,000
Long term debt	780,000	-	-	-	-
Total noncurrent liabilities	780,000	-	-	-	1,500,000
<b>TOTAL LIABILITIES</b>	1,023,715	-	-	1,508,500	9,096,000
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	690,540	-	-	-	-
Unreserved	1,202,885	74,728	-	6,723,651	1,102,238
<b>TOTAL NET ASSETS</b>	\$ 1,893,425	\$ 74,728	\$ -	\$ 6,723,651	\$ 1,102,238

# County of Muskegon

## Other Non-Major Proprietary Funds

### Combining Statement of Net Assets

September 30, 2004

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 1,474,347	\$ 396,150	\$ 222	\$ 1,755,601	\$ 14,326,114
Accounts receivable	-	7,928	10,170	25,701	69,968
Intergovernmental receivable	-	189,521	-	364,223	553,744
Accrued interest receivable	13,183	1,010	-	14,315	117,961
Current portion of delinquent taxes receivable	-	-	-	-	4,037,503
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	-	614,484
Prepaid expenses	-	-	-	-	109,336
Inventories	516	-	-	-	516
Restricted assets	118,234	-	-	-	118,234
<b>Total current assets</b>	<b>1,606,280</b>	<b>594,609</b>	<b>10,392</b>	<b>2,159,840</b>	<b>19,947,860</b>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	199,487	-	-	199,487
Land improvements	1,521	-	-	-	677,612
Buildings	213,369	5,799,390	-	-	7,870,712
Machinery and equipment	75,494	4,973,517	45,000	-	5,186,052
<b>Total Property and Equipment</b>	<b>290,384</b>	<b>10,972,394</b>	<b>45,000</b>	<b>-</b>	<b>13,933,863</b>
Less accumulated depreciation	(131,816)	(4,427,414)	(1,125)	-	(5,500,900)
<b>Property and Equipment - net</b>	<b>158,568</b>	<b>6,544,980</b>	<b>43,875</b>	<b>-</b>	<b>8,432,963</b>
<b>DELINQUENT TAXES RECEIVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,712,066</b>
<b>INTEREST AND PENALTIES RECEIVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447,912</b>
<b>ON DELINQUENT TAXES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447,912</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,764,848</b>	<b>\$ 7,139,589</b>	<b>\$ 54,267</b>	<b>\$ 2,159,840</b>	<b>\$ 32,540,801</b>

***County of Muskegon***

***Other Non-Major Proprietary Funds  
Combining Statement of Net Assets***

***September 30, 2004***

	<b>Fly Ash Program (5711)</b>	<b>Muskegon Area Transit System (5880)</b>	<b>Muskegon Trolley Company (5890)</b>	<b>Northside Water (5910)</b>	<b>Totals</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 5,369	\$ 27,948	\$ -	\$ 31,744	\$ 68,295
Advances payable	-	29,574	-	-	29,574
Accrued liabilities	8,754	191,860	29	1,335	331,959
Current portion of long term debt	-	-	-	-	9,215,000
Total current liabilities	14,123	249,382	29	33,079	9,644,828
<b>NONCURRENT LIABILITIES</b>					
Tax anticipation notes payable	-	-	-	-	1,500,000
Long term debt	-	-	-	-	780,000
Total noncurrent liabilities	-	-	-	-	2,280,000
<b>TOTAL LIABILITIES</b>	<b>14,123</b>	<b>249,382</b>	<b>29</b>	<b>33,079</b>	<b>11,924,828</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	158,568	6,544,980	43,875	-	7,437,963
Unreserved	1,592,157	345,227	10,363	2,126,761	13,178,010
<b>TOTAL NET ASSETS</b>	<b>\$ 1,750,725</b>	<b>\$ 6,890,207</b>	<b>\$ 54,238</b>	<b>\$ 2,126,761</b>	<b>\$ 20,615,973</b>

# County of Muskegon

## Other Non-Major Proprietary Funds

### Statement of Revenues, Expenses and Changes in Fund Net Assets

For the the Year ended September 30, 2004

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	2001 Delinquent Tax Revolving (5161)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>Operating revenues</b>					
Charges for services	\$ 123,380	\$ -	\$ -	\$ -	\$ -
Interest and penalties on delinquent taxes	-	74,640	-	(242,002)	1,141,530
Other	31,853	-	-	-	-
	<u>155,233</u>	<u>74,640</u>	<u>-</u>	<u>(242,002)</u>	<u>1,141,530</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	14,284	-	-	-	-
Supplies and other operating expenses	64,515	-	-	213,199	17,738
Interest expense	-	-	-	99,584	29,695
Depreciation and amortization	63,650	-	-	-	-
	<u>142,449</u>	<u>-</u>	<u>-</u>	<u>312,783</u>	<u>47,433</u>
<b>Operating income (loss)</b>	<b>12,784</b>	<b>74,640</b>	<b>-</b>	<b>(554,785)</b>	<b>1,094,097</b>
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	-	-	-
Interest income	14,012	88	-	140,093	8,141
Interest expense	(86,689)	-	-	-	-
Other (net)	-	-	-	-	-
	<u>(72,677)</u>	<u>88</u>	<u>-</u>	<u>140,093</u>	<u>8,141</u>
<b>Income (loss) before contributions and transfers</b>	<b>(59,893)</b>	<b>74,728</b>	<b>-</b>	<b>(414,692)</b>	<b>1,102,238</b>
Transfers in	229,893	-	-	6,757,205	-
Transfers (out)	-	-	(6,757,205)	(1,422,081)	-
	<u>229,893</u>	<u>-</u>	<u>(6,757,205)</u>	<u>5,335,124</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	<b>170,000</b>	<b>74,728</b>	<b>(6,757,205)</b>	<b>4,920,432</b>	<b>1,102,238</b>
<b>Net Assets at beginning of year</b>	<b>1,723,425</b>	<b>-</b>	<b>6,757,205</b>	<b>1,803,219</b>	<b>-</b>
<b>Net Assets at end of year</b>	<b><u>\$ 1,893,425</u></b>	<b><u>\$ 74,728</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,723,651</u></b>	<b><u>\$ 1,102,238</u></b>

## County of Muskegon

### Other Non-Major Proprietary Funds

#### Statement of Revenues, Expenses and Changes in Fund Net Assets

For the the Year ended September 30, 2004

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>Operating revenues</b>					
Charges for services	\$ -	\$ 242,171	\$ 11,093	\$ 505,118	\$ 881,762
Interest and penalties on delinquent taxes	-	-	-	-	974,168
Other	-	573	-	8,200	40,626
	<u>-</u>	<u>242,744</u>	<u>11,093</u>	<u>513,318</u>	<u>1,896,556</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	59,248	1,643,208	214	36,331	1,753,285
Supplies and other operating expenses	108,463	892,181	516	321,303	1,617,915
Interest expense	-	-	-	-	129,279
Depreciation and amortization	13,275	579,659	1,125	-	657,709
	<u>180,986</u>	<u>3,115,048</u>	<u>1,855</u>	<u>357,634</u>	<u>4,158,188</u>
<b>Operating income (loss)</b>	<b>(180,986)</b>	<b>(2,872,304)</b>	<b>9,238</b>	<b>155,684</b>	<b>(2,261,632)</b>
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	2,251,408	-	-	2,251,408
Interest income	24,095	2,484	-	64,534	253,447
Interest expense	-	-	-	-	(86,689)
Other (net)	-	(60,126)	-	-	(60,126)
	<u>24,095</u>	<u>2,193,766</u>	<u>-</u>	<u>64,534</u>	<u>2,358,040</u>
<b>Income (loss) before contributions and transfers</b>	<b>(156,891)</b>	<b>(678,538)</b>	<b>9,238</b>	<b>220,218</b>	<b>96,408</b>
Transfers in	-	-	45,000	-	7,032,098
Transfers (out)	-	(45,000)	-	(69,000)	(8,293,286)
	<u>-</u>	<u>(45,000)</u>	<u>45,000</u>	<u>(69,000)</u>	<u>(1,261,188)</u>
<b>NET INCOME (LOSS)</b>	<b>(156,891)</b>	<b>(723,538)</b>	<b>54,238</b>	<b>151,218</b>	<b>(1,164,780)</b>
<b>Net Assets at beginning of year</b>	<b>1,907,616</b>	<b>7,613,745</b>	<b>-</b>	<b>1,975,543</b>	<b>21,780,753</b>
<b>Net Assets at end of year</b>	<b><u>\$ 1,750,725</u></b>	<b><u>\$ 6,890,207</u></b>	<b><u>\$ 54,238</u></b>	<b><u>\$ 2,126,761</u></b>	<b><u>\$ 20,615,973</u></b>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS**

**For the Year ended September 30, 2004**

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	2001 Delinquent Tax Revolving (5161)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 123,380	\$ 74,640	\$ 8,972	(\$ 249,570)	\$ 1,141,530
Cash Payments to Suppliers of Goods and Services	(46,302)	-	-	(213,199)	(17,738)
Cash Payments to Employees for Services	(14,637)	-	-	-	-
Note Proceeds	-	-	-	-	9,000,000
Tax collections	-	-	-	-	4,046,555
Delinquent tax payments to municipalities	-	-	-	-	(13,046,555)
Interest paid	-	-	(18,167)	(142,084)	66,305
Other receipts (payments)	31,853	-	-	-	-
Net cash provided by (used for) Operating Activities	94,294	74,640	(9,195)	(604,853)	1,190,097
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	(44,994)	2,131,996	5,415,534	2,174,124
Note payments	-	-	(1,500,000)	(7,500,000)	-
Operating Subsidies from Grants	-	-	-	-	-
Transfers to other funds	-	-	(6,757,205)	(1,422,081)	-
Transfers from other funds	229,893	-	-	6,757,205	-
Advances from (to) other funds	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	229,893	(44,994)	(6,125,209)	3,250,658	2,174,124
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	(170,000)	-	-	-	-
Interest payments on long term debt	(90,939)	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(260,939)	-	-	-	-

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

**For the Year ended September 30, 2004**

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	2001 Delinquent Tax Revolving (5161)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Interest received from investment pool	11,038	10	49,480	71,391	882
Net cash provided by investing activities	11,038	10	49,480	71,391	882
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	74,286	29,656	(6,084,924)	2,717,196	3,365,103
Cash and cash equivalents, September 30, 2003	1,022,051	-	6,084,924	3,491,502	-
Cash and cash equivalents, September 30, 2004	<u>\$ 1,096,337</u>	<u>\$ 29,656</u>	<u>\$ -</u>	<u>\$ 6,208,698</u>	<u>\$ 3,365,103</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>\$ 12,784</u>	<u>\$ 74,640</u>	<u>\$ -</u>	<u>(\$ 554,785)</u>	<u>\$ 1,094,097</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	63,650	-	-	-	-
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	-	-	8,972	(7,568)	-
Increase (decrease) in accounts payable	(1,371)	-	-	-	-
(Increase) decrease in prepaid expenses	19,584	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-
Increase (decrease) in accruals	(353)	-	(18,167)	(42,500)	96,000
Total Adjustments	<u>81,510</u>	<u>-</u>	<u>(9,195)</u>	<u>(50,068)</u>	<u>96,000</u>
Net cash provided by (used for) operations	<u>\$ 94,294</u>	<u>\$ 74,640</u>	<u>(\$ 9,195)</u>	<u>(\$ 604,853)</u>	<u>\$ 1,190,097</u>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS**

**For the Year ended September 30, 2004**

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ -	\$ 240,680	\$ 923	\$ 621,916	\$ 1,962,471
Cash Payments to Suppliers of Goods and Services	(103,949)	(906,242)	(516)	(294,084)	(1,582,030)
Cash Payments to Employees for Services	(60,932)	(1,622,193)	(185)	(36,154)	(1,734,101)
Note Proceeds	-	-	-	-	9,000,000
Tax collections	-	-	-	-	4,046,555
Delinquent tax payments to municipalities	-	-	-	-	(13,046,555)
Interest paid	-	-	-	-	(93,946)
Other receipts (payments)	-	573	-	8,200	40,626
Net cash provided by (used for) Operating Activities	(164,881)	(2,287,182)	222	299,878	(1,406,980)
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	-	-	-	9,676,660
Note payments	-	-	-	-	(9,000,000)
Operating Subsidies from Grants	-	2,579,300	-	-	2,579,300
Transfers to other funds	-	(45,000)	-	(69,000)	(8,293,286)
Transfers from other funds	-	-	45,000	-	7,032,098
Advances from (to) other funds	-	(22,971)	-	-	(22,971)
Net cash provided by (used for) noncapital financing activities	-	2,511,329	45,000	(69,000)	1,971,801
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	-	-	-	-	(170,000)
Interest payments on long term debt	-	-	-	-	(90,939)
Purchase of fixed assets	-	-	(45,000)	-	(45,000)
Sale of fixed assets	-	46,265	-	-	46,265
Net cash provided by (used for) capital and related financing activities	-	46,265	(45,000)	-	(259,674)



**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

**For the Year ended September 30, 2004**

	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Interest received from investment pool	20,242	1,474	-	57,370	211,887
Net cash provided by investing activities	20,242	1,474	-	57,370	211,887
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(144,639)	271,886	222	288,248	517,034
Cash and cash equivalents, September 30, 2003	1,618,986	124,264	-	1,467,353	13,809,080
Cash and cash equivalents, September 30, 2004	\$ 1,474,347	\$ 396,150	\$ 222	\$ 1,755,601	\$ 14,326,114
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	(\$ 180,986)	(\$ 2,872,304)	\$ 9,238	\$ 155,684	(\$ 2,261,632)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	13,275	579,659	1,125	-	657,709
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	-	(1,491)	(10,170)	116,798	106,541
Increase (decrease) in accounts payable	2,661	(14,061)	-	27,219	14,448
(Increase) decrease in prepaid expenses	-	-	-	-	19,584
(Increase) decrease in restricted assets	1,853	-	-	-	1,853
Increase (decrease) in accruals	(1,684)	21,015	29	177	54,517
Total Adjustments	16,105	585,122	(9,016)	144,194	854,652
Net cash provided by (used for) operations	(\$ 164,881)	(\$ 2,287,182)	\$ 222	\$ 299,878	(\$ 1,406,980)

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## **INTERNAL SERVICE FUNDS**

Central Stores (6330)--to account for the general county printing services which provides all common offices with necessary support.

County South Campus (6340)--to account for the operations and maintenance of county buildings clustered in a one block area. This fund is self-sustaining with the revenues generated to be used for maintaining the buildings.

Equipment Revolving (6660)--to account for revenues collected on equipment leased to user departments of the county. The fund is self-sustaining with the revenues generated to be used for replacement of broken and outdated equipment.

Insurance (6770)--to account for revenues collected from user departments for the payment of insurance premiums and claims. The county is self-insured for workers' compensation, unemployment insurance, health insurance, dental insurance and collision on auto fleet insurance.

CMH ISF Risk (6772)--to cover the potential risk of actual expenses associated with the delivery of behavioral health and developmental disabilities services to the Medicaid and uninsured population exceeding a contractual funding level.

**County of Muskegon**

**Internal Service Funds  
Combining Balance Sheet**

**September 30, 2004**

ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 239,437	\$ 53,958	\$ 170,776	\$ 9,705,439	\$ 2,490,243	\$ 12,659,853
Accounts receivable	5,157	-	62	3,708	-	8,927
Accrued interest receivable	1,619	-	2,146	71,952	19,674	95,391
Total current assets	246,213	53,958	172,984	9,781,099	2,509,917	12,764,171
<b>NONCURRENT ASSETS</b>						
Long-term note receivable	-	-	3,269,840	200,000	-	3,469,840
Long-term advance to other funds	-	-	-	1,210,281	-	1,210,281
<b>Property and Equipment - at cost</b>						
Land	-	-	444,908	-	-	444,908
Buildings	-	-	1,573,011	-	-	1,573,011
Machinery and equipment	-	-	8,689,107	-	-	8,689,107
Construction in progress	-	-	1,374,355	-	-	1,374,355
Total Property and Equipment	-	-	12,081,381	-	-	12,081,381
Less accumulated depreciation	-	-	(6,954,218)	-	-	(6,954,218)
Total Property and Equipment - net	-	-	5,127,163	-	-	5,127,163
<b>TOTAL ASSETS</b>	<b>\$ 246,213</b>	<b>\$ 53,958</b>	<b>\$ 8,569,987</b>	<b>\$ 11,191,380</b>	<b>\$ 2,509,917</b>	<b>\$ 22,571,455</b>

**County of Muskegon**

**Internal Service Funds  
Combining Balance Sheet**

**September 30, 2004**

<b>LIABILITIES AND NET ASSETS</b>	<b>Central Stores (6330)</b>	<b>County South Campus (6340)</b>	<b>Equipment Revolving (6660)</b>	<b>Insurance (6770)</b>	<b>CMH ISF Risk (6772)</b>	<b>Totals</b>
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 10,319	\$ 46,467	\$ 56,842	\$ 279,486	\$ -	\$ 393,114
Accrued liabilities	42,762	7,491	-	3,946,577	-	3,996,830
Deferred Revenue	-	-	588,882	5,500	-	594,382
Total current liabilities	<u>53,081</u>	<u>53,958</u>	<u>645,724</u>	<u>4,231,563</u>	<u>-</u>	<u>4,984,326</u>
<b>NONCURRENT LIABILITIES</b>						
Land Contract Payable	-	-	147,556	-	-	147,556
Long-term Debt	-	-	3,973,775	-	-	3,973,775
Long-term advances from other funds	-	-	671,220	-	-	671,220
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,792,551</u>	<u>-</u>	<u>-</u>	<u>4,792,551</u>
<b>TOTAL LIABILITIES</b>	<u>53,081</u>	<u>53,958</u>	<u>5,438,275</u>	<u>4,231,563</u>	<u>-</u>	<u>9,776,877</u>
<b>NET ASSETS</b>						
Invested in capital assets - net of related debt	-	-	3,131,712	-	-	3,131,712
Unreserved	<u>193,132</u>	<u>-</u>	<u>-</u>	<u>6,959,817</u>	<u>2,509,917</u>	<u>9,662,866</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 193,132</u>	<u>\$ -</u>	<u>\$ 3,131,712</u>	<u>\$ 6,959,817</u>	<u>\$ 2,509,917</u>	<u>\$ 12,794,578</u>

**County of Muskegon**

**Internal Service Funds**

**Combining Statement of Revenues, Expenses  
and Changes in fund Net Assets**

**Year ended September 30, 2004**

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>Operating revenues</b>						
Intergovernmental revenues	\$ -	\$ 757,793	\$ 964,072	\$ 13,228,212	\$ -	\$ 14,950,077
Other	558,952	-	760,060	1,791,341	-	3,110,353
	<u>558,952</u>	<u>757,793</u>	<u>1,724,132</u>	<u>15,019,553</u>	<u>-</u>	<u>18,060,430</u>
<b>Operating expenses</b>						
Salaries and fringes	249,229	159,569	-	1,483,571	-	1,892,369
Supplies and other operating expenses	420,314	583,579	672,949	2,320,020	-	3,996,862
Insurance benefits and claims	-	-	-	1,140,708	-	1,140,708
Insurance premiums	-	14,645	1,308	8,935,310	-	8,951,263
Interest expense	-	-	106,646	-	-	106,646
Depreciation	-	-	1,101,753	-	-	1,101,753
	<u>669,543</u>	<u>757,793</u>	<u>1,882,656</u>	<u>13,879,609</u>	<u>-</u>	<u>17,189,601</u>
<b>Operating income (loss)</b>	<b>(110,591)</b>	<b>-</b>	<b>(158,524)</b>	<b>1,139,944</b>	<b>-</b>	<b>870,829</b>
<b>Non-Operating revenues (expenses)</b>						
Investment income	3,103	-	3,382	140,070	35,751	182,306
Other	-	-	11,867	-	-	11,867
<b>Income (loss) before transfers</b>	<b>(107,488)</b>	<b>-</b>	<b>(143,275)</b>	<b>1,280,014</b>	<b>35,751</b>	<b>1,065,002</b>
<b>Transfers (out)</b>	<b>-</b>	<b>-</b>	<b>(171,007)</b>	<b>-</b>	<b>-</b>	<b>(171,007)</b>
	<u>-</u>	<u>-</u>	<u>(171,007)</u>	<u>-</u>	<u>-</u>	<u>(171,007)</u>
<b>NET INCOME (LOSS)</b>	<b>(107,488)</b>	<b>-</b>	<b>(314,282)</b>	<b>1,280,014</b>	<b>35,751</b>	<b>893,995</b>
<b>Net Assets at beginning of year</b>	<b>300,620</b>	<b>-</b>	<b>3,445,994</b>	<b>5,679,803</b>	<b>2,474,166</b>	<b>11,900,583</b>
<b>Net Assets at end of year</b>	<b>\$ 193,132</b>	<b>\$ -</b>	<b>\$ 3,131,712</b>	<b>\$ 6,959,817</b>	<b>\$ 2,509,917</b>	<b>\$ 12,794,578</b>

*County of Muskegon*

*Governmental Activities Internal Service Funds*

*Statement of Cash Flows*

*For the Year ended September 30, 2004*

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers/Other Funds	\$ 558,142	\$ 757,793	\$ 1,724,127	\$ 15,022,763	\$ 188,000	\$ 18,250,825
Cash Payments to Suppliers of Goods and Services	(424,421)	(627,162)	(380,201)	(12,310,130)	-	(13,741,914)
Cash Payments to Employees for Services	(209,404)	(154,528)	-	(1,483,571)	-	(1,847,503)
Net cash provided by (used for) Operating Activities	(75,683)	(23,897)	1,343,926	1,229,062	188,000	2,661,408
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances to other funds	-	-	(30,849)	-	-	(30,849)
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(171,007)	-	-	(171,007)
Net cash provided by (used for) noncapital financing activities	-	-	(201,856)	-	-	(201,856)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	(494,785)	-	-	(494,785)
Note Proceeds	-	-	4,445,000	-	-	4,445,000
Note Issuance	-	-	(3,269,840)	-	-	(3,269,840)
Principal received on long term advances	-	-	-	72,541	-	72,541
Sales of Assets	-	-	11,867	-	-	11,867
Purchase of fixed assets	-	-	(373,200)	-	-	(373,200)
Construction in Progress	-	-	(1,374,355)	-	-	(1,374,355)
Net cash provided by (used for) capital and related financing activities	-	-	(1,055,313)	72,541	-	(982,772)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received from investment pool	2,786	-	1,909	106,314	29,412	140,421
Net cash provided by investing activities	2,786	-	1,909	106,314	29,412	140,421
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(72,897)	(23,897)	88,666	1,407,917	217,412	1,617,201
Cash and cash equivalents, September 30, 2003	312,334	77,855	82,110	8,297,522	2,272,831	11,042,652
Cash and cash equivalents, September 30, 2004	\$ 239,437	\$ 53,958	\$ 170,776	\$ 9,705,439	\$ 2,490,243	\$ 12,659,853

This Statement covers more than one page.

*County of Muskegon*

*Governmental Activities Internal Service Funds*

*Statement of Cash Flows - continued*

*For the Year ended September 30, 2004*

	Central Stores (6330)	South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	<u>(\$ 110,591)</u>	<u>\$ -</u>	<u>(\$ 158,524)</u>	<u>\$ 1,139,944</u>	<u>\$ -</u>	<u>\$ 870,829</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	-	1,101,753	-	-	1,101,753
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(810)	-	(5)	(2,290)	188,000	184,895
Increase (decrease) in accounts payable	(4,107)	(28,938)	(180)	14,802	-	(18,423)
Increase (decrease) in deferred revenue	-	-	588,882	5,500	-	594,382
Increase (decrease) in accrued liabilities	<u>39,825</u>	<u>5,041</u>	<u>(188,000)</u>	<u>71,106</u>	<u>-</u>	<u>(72,028)</u>
Total Adjustments	<u>34,908</u>	<u>(23,897)</u>	<u>1,502,450</u>	<u>89,118</u>	<u>188,000</u>	<u>1,790,579</u>
Net cash provided by (used for) operations	<u>(\$ 75,683)</u>	<u>(\$ 23,897)</u>	<u>\$ 1,343,926</u>	<u>\$ 1,229,062</u>	<u>\$ 188,000</u>	<u>\$ 2,661,408</u>

This Statement covers more than one page.



## **AGENCY FUNDS**

Agency (7010)--to hold monies for later distribution to other agencies or persons. Specifically, District Court holds ordinance fines and costs, appearance bonds, garnishments and restitutions. The Treasurer holds accounts including tax reverted lands, swamp land tax, payments in lieu of taxes and current real and personal property taxes. The administrative area hold Social Security payments, retirement payments, state-withheld income taxes and other payroll deductions.

Library Penal Fines (7210)--to account for monies received from District Court fines, in accordance with state statute (Section 4851 of Act 236 of the Public Acts of 1961), which are allocated annually for operations of the county's libraries.

Central Dispatch (7708)--to account for monies received from state and local grants, as well as assessments on participating municipalities for the operation and updating of the public safety communications services.

Labor Management Program (7910)--to account for monies received from various employers who provide funding for this program, the purpose of which is to improve productivity and the quality of work life by assisting in the establishment of good labor-management relationships.

Muskegon Veterans Affairs (7940)--to account for monies received for the operation of a veteran's center.

Orchard View (7982)--to account for monies received from the state for employment of economically disadvantaged youths.

*County of Muskegon*

*Agency Funds  
COMBINING BALANCE SHEET  
September 30, 2004*

	Agency Funds						
	Agency (7010)	Library Penal Fines (7210)	Central Dispatch (7708)	Labor Management Program (7910)	Muskegon Veterans Affairs (7940)	Orchard View (7982)	Totals
<b>ASSETS</b>							
Cash and cash investments	\$ 9,565,379	\$ 153,152	\$ 5,643,164	\$ 63,171	\$ 19,555	\$ 31,466	\$ 15,475,887
Accounts receivable	949,479	-	73,691	-	-	-	1,023,170
Accrued interest receivable	-	3,048	15,042	453	472	268	19,283
	<u>\$ 10,514,858</u>	<u>\$ 156,200</u>	<u>\$ 5,731,897</u>	<u>\$ 63,624</u>	<u>\$ 20,027</u>	<u>\$ 31,734</u>	<u>\$ 16,518,340</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 56,647	\$ -	\$ 492,871	\$ 2,353	\$ 5,881	\$ -	\$ 557,752
Intergovernmental payable	717,653	-	3,269,840	-	-	-	3,987,493
Undistributed current and delinquent taxes	7,545,630	-	-	-	-	-	7,545,630
Trust deposits	2,135,811	-	-	-	-	-	2,135,811
Accrued liabilities	-	-	41,864	875	-	-	42,739
Unallocated receipts	33,017	156,200	1,927,322	60,396	14,146	31,734	2,222,815
Fines and Fees due to local municipalities and libraries	26,100	-	-	-	-	-	26,100
	<u>\$ 10,514,858</u>	<u>\$ 156,200</u>	<u>\$ 5,731,897</u>	<u>\$ 63,624</u>	<u>\$ 20,027</u>	<u>\$ 31,734</u>	<u>\$ 16,518,340</u>

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**

*For the Year ended September 30, 2004*

	Balance Oct. 1, 2003	Additions	Deductions	Balance Sept. 30, 2004
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 10,266,133	\$ 91,637,625	\$ 92,338,379	\$ 9,565,379
Accounts receivable	1,126,410	924,340	1,101,271	949,479
	<u>\$ 11,392,543</u>	<u>\$ 92,561,965</u>	<u>\$ 93,439,650</u>	<u>\$ 10,514,858</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 875	\$ 54,961,327	\$ 54,905,555	\$ 56,647
Intergovernmental payable	797,908	8,202,282	8,282,537	717,653
Undistributed current and delinquent taxes	8,158,937	60,368,018	60,981,325	7,545,630
Fines and fees due to local municipalities and libraries	26,113	312,377	312,390	26,100
Trust deposits	2,205,411	20,899,421	20,969,021	2,135,811
Unallocated receipts	203,299	9,257,027	9,427,309	33,017
	<u>\$ 11,392,543</u>	<u>\$ 154,000,452</u>	<u>\$ 154,878,137</u>	<u>\$ 10,514,858</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 179,594	\$ 607,038	\$ 633,480	\$ 153,152
Accrued interest receivable	2,014	5,498	4,464	3,048
	<u>\$ 181,608</u>	<u>\$ 612,536</u>	<u>\$ 637,944</u>	<u>\$ 156,200</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 181,608	\$ 614,809	\$ 640,217	\$ 156,200
	<u>\$ 181,608</u>	<u>\$ 614,809</u>	<u>\$ 640,217</u>	<u>\$ 156,200</u>

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued**

*For the Year ended September 30, 2004*

	Balance Oct. 1, 2003	Additions	Deductions	Balance Sept. 30, 2004
<b>Central Dispatch (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 1,393,725	\$ 7,335,521	\$ 3,086,082	\$ 5,643,164
Accounts receivable	107,548	1,294,984	1,328,841	73,691
Accrued interest receivable	5,545	26,049	16,552	15,042
	<u>\$ 1,506,818</u>	<u>\$ 8,656,554</u>	<u>\$ 4,431,475</u>	<u>\$ 5,731,897</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,310	\$ 1,727,874	\$ 1,259,313	\$ 492,871
Intergovernmental payable	-	3,269,840	-	3,269,840
Accrued liabilities	36,165	41,864	36,165	41,864
Unallocated receipts	1,446,343	3,864,001	3,383,022	1,927,322
	<u>\$ 1,506,818</u>	<u>\$ 8,903,579</u>	<u>\$ 4,678,500</u>	<u>\$ 5,731,897</u>
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 63,909	\$ 77,321	\$ 78,059	\$ 63,171
Accrued interest receivable	302	835	684	453
	<u>\$ 64,211</u>	<u>\$ 78,156</u>	<u>\$ 78,743</u>	<u>\$ 63,624</u>
Accounts payable	\$ 675	\$ 50,273	\$ 48,595	\$ 2,353
Accrued liabilities	631	875	631	875
Unallocated receipts	62,905	78,742	81,251	60,396
	<u>\$ 64,211</u>	<u>\$ 129,890</u>	<u>\$ 130,477</u>	<u>\$ 63,624</u>
<b>Muskegon Veterans Affairs (7940)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 2,491	\$ 289,623	\$ 272,559	\$ 19,555
Accrued interest receivable	208	668	404	472
	<u>\$ 2,699</u>	<u>\$ 290,291</u>	<u>\$ 272,963</u>	<u>\$ 20,027</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 693	\$ 233,282	\$ 228,094	\$ 5,881
Unallocated receipts	2,006	290,770	278,630	14,146
	<u>\$ 2,699</u>	<u>\$ 524,052</u>	<u>\$ 506,724</u>	<u>\$ 20,027</u>
<b>Orchard View (7982)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 31,344	\$ 390	\$ 268	\$ 31,466
Accrued interest receivable	170	488	390	268
	<u>\$ 31,514</u>	<u>\$ 878</u>	<u>\$ 658</u>	<u>\$ 31,734</u>
<b>LIABILITIES</b>				
Unallocated receipts	<u>\$ 31,514</u>	<u>\$ 488</u>	<u>\$ 268</u>	<u>\$ 31,734</u>

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued**

**For the Year ended September 30, 2004**

	Balance Oct. 1, 2003	Additions	Deductions	Balance Sept. 30, 2004
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 11,937,196	\$ 99,947,518	\$ 96,408,827	\$ 15,475,887
Accounts receivable	1,233,958	2,219,324	2,430,112	1,023,170
Accrued interest receivable	8,239	33,538	22,494	19,283
	<u>\$ 13,179,393</u>	<u>\$ 102,200,380</u>	<u>\$ 98,861,433</u>	<u>\$ 16,518,340</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 26,553	\$ 56,972,756	\$ 56,441,557	\$ 557,752
Accrued liabilities	36,796	42,739	36,796	42,739
Undistributed current and delinquent taxes	8,158,937	60,368,018	60,981,325	7,545,630
Intergovernmental payable	797,908	11,472,122	8,282,537	3,987,493
Fines and fees due to local municipalities and libraries	26,113	312,377	312,390	26,100
Trust deposits	2,205,411	20,899,421	20,969,021	2,135,811
Unallocated receipts	1,927,675	14,105,837	13,810,697	2,222,815
	<u>\$ 13,179,393</u>	<u>\$ 164,173,270</u>	<u>\$ 160,834,323</u>	<u>\$ 16,518,340</u>

## County of Muskegon

**GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION\***  
**Ten years ended September 30, 2004**  
**(Unaudited)**

<u>Year Ended</u>	<u>Legislative</u>	<u>Judicial</u>	<u>General Governmental</u>	<u>Public Safety</u>	<u>Health</u>	<u>Welfare</u>	<u>Cultural</u>	<u>Recreation</u>	<u>Other</u>	<u>Total</u>
1995	\$ 248,674	\$ 5,075,104	\$ 8,484,694	\$ 6,263,039	\$ 3,919,930	\$ 20,720	\$ 678,807	\$ 83,970	\$ 264,527	\$ 25,039,465
1996	244,660	5,424,406	9,103,277	6,337,778	4,589,997	32,506	713,267	69,360	151,071	26,666,322
1997	303,827	5,776,136	8,621,963	7,208,973	5,778,738	-	716,257	86,668	304,186	28,796,748
1998**	243,213	4,367,490	7,721,834	6,177,224	4,971,671	41,239	1,372,247	44,960	736,875	25,676,753
1999	304,961	4,614,732	11,116,323	8,083,441	5,167,511	-	891,433	349,216	276,969	30,804,586
2000	324,701	5,216,002	12,411,989	7,928,396	5,482,658	-	730,379	101,081	390,300	32,585,506
2001	329,852	5,208,362	11,540,580	8,781,463	5,680,091	-	791,535	40,000	800,340	33,172,223
2002	323,117	5,528,733	14,015,850	8,869,251	5,803,013	-	890,706	40,000	298,693	35,769,363
2003	369,305	6,084,091	15,665,503	9,682,118	5,944,417	-	1,069,421	39,996	274,926	39,129,777
2004	384,134	6,381,712	15,356,693	10,131,262	5,439,693	-	1,020,649	-	233,244	38,947,387

\*Includes operating transfers to other funds.

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

## County of Muskegon

**SUMMARY OF GENERAL FUND REVENUES AND TRANSFERS IN**  
**Ten years ended September 30, 2004**  
**(Unaudited)**

<u>Year Ended</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- Governmental Revenue</u>	<u>Charge for Services</u>	<u>Fines and Forfeitures</u>	<u>Use of Money and Property</u>	<u>Reimbursements</u>	<u>Total</u>	<u>Transfers In</u>
1995	\$ 13,626,994	\$ 10,711	\$ 3,773,133	\$ 4,709,219	\$ 725,415	\$ 1,101,745	\$ 484,821	\$ 24,432,038	\$ 613,000
1996	14,138,772	9,883	3,898,735	4,947,125	712,541	1,464,549	544,403	25,716,008	1,358,000
1997	14,870,875	9,010	5,304,708	5,159,365	760,106	996,431	353,912	27,454,407	6,604
1998*	15,629,285	6,471	3,302,005	4,580,981	566,890	822,107	247,035	25,154,774	672,054
1999	16,540,187	7,984	5,000,396	6,229,764	824,026	931,410	405,404	29,939,171	1,351,116
2000	17,452,197	14,405	5,625,556	7,194,265	868,407	1,033,331	626,581	32,814,742	-
2001	18,398,271	18,532	5,613,337	7,332,026	804,708	1,246,521	713,468	34,126,863	-
2002	19,571,024	11,884	6,012,779	7,873,087	854,490	823,734	330,505	35,477,503	528,000
2003	20,755,324	12,751	5,271,575	9,144,444	789,922	597,859	328,901	36,900,776	1,809,479
2004	21,714,201	24,222	4,932,658	9,645,749	828,194	513,123	565,073	38,223,220	1,000,000

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

## County of Muskegon

### PROPERTY TAX LEVIES AND CURRENT COLLECTIONS - COUNTY OPERATING

Ten years ended September 30, 2004

(Unaudited)

<u>Year Ended</u>	<u>Taxable Value</u>	<u>Adjustments**</u>	<u>Adjusted Taxable Value</u>	<u>County Operating Millage</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
1995	\$ 2,235,210,925	\$ (38,048,470)	\$ 2,197,162,455	5.8416 %	\$ 12,834,944	\$ 11,401,912	88.83 %
1996	2,368,522,187	(54,716,929)	2,313,805,258	5.8416	13,516,325	12,022,505	88.95
1997	2,523,548,228	(72,125,775)	2,451,422,453	5.8416	14,320,229	12,727,517	88.88
1998***	2,639,408,331	(75,516,093)	2,563,892,238	5.8416	14,977,233	13,252,658	88.49
1999	2,808,287,454	(99,298,910)	2,708,988,544	5.8240	15,777,149	14,051,256	89.06
2000	2,969,387,077	(93,762,471)	2,875,624,606	5.7966	16,668,846	14,820,682	88.91
2001	3,244,251,018	(123,690,773)	3,120,560,245	5.7490	17,940,101	15,983,464	89.09
2002	3,453,067,789	(140,077,421)	3,312,990,368	5.6984	18,878,744	16,945,593	89.76
2003	3,613,148,739	(136,779,123)	3,476,369,616	5.6984	19,809,745	17,875,267	90.23
2004	3,795,561,731	N/A	3,795,561,731	5.6984	21,628,629	N/A	N/A

\*Tax collections are not received from local units until after December 1, and are not delinquent until March 1 of the following year.

\*\*2003 Adjustments:

Board of Review \$ (12,920,432)  
Tax Tribunal (7,388,662)  
Captured Value (116,470,029)

\*\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.

(Source: Treasurer's Office)



## County of Muskegon

**PROPERTY TAX RATES AND TAX LEVIES (Per \$1,000 of Assessed Value)**  
**Ten years ended September 30, 2004**  
**(Unaudited)**

<u>Year Ended</u>	<u>Cities and Villages</u>	<u>Intermediate and Special Education School Districts</u>	<u>County, Veterans, Quality of Life and Museum</u>	<u>Townships and Community College</u>	<u>Authorities and Districts</u>	<u>Total</u>
<b>TAX RATES</b>						
1995	6.04%	19.39%	6.22%	3.80%		35.45%
1996	5.98	23.13	6.35	3.98		39.44
1997	6.21	22.27	6.71	5.40		40.59
1998*	5.68	21.86	6.71	4.24		38.49
1999	5.85	21.77	6.71	4.12	.03%	38.45
2000	5.81	22.44	6.66	4.07	.25	39.23
2001	5.77	22.25	6.71	4.12	.03	38.88
2002	5.71	22.47	6.58	3.94	.73	39.43
2003	5.54	22.68	6.80	3.68	.69	39.39
2004	5.62	23.57	6.80	3.81	.73	40.53
<b>TAX LEVIES</b>						
1995	\$ 12,966,934	\$ 41,601,695	\$ 13,344,669	\$ 8,150,961		\$ 76,064,259
1996	13,356,953	49,446,025	14,196,240	8,896,856		85,896,074
1997	14,714,175	52,732,928	15,900,758	9,163,942		92,511,803
1998*	14,321,069	55,162,528	16,941,551	10,705,610		97,130,758
1999	15,448,664	57,455,871	17,719,932	10,878,824	\$ 295,631	101,798,922
2000	16,309,903	63,028,479	18,689,153	11,432,787	692,992	110,153,314
2001	17,133,161	66,074,157	19,673,971	11,778,425	727,626	115,387,340
2002	18,530,653	72,895,046	21,346,870	12,775,920	2,354,683	127,903,172
2003	20,003,179	81,963,034	24,553,884	13,288,809	2,498,493	142,307,399
2004	21,346,853	84,449,223	25,793,493	14,464,520	2,785,896	148,839,985

NOTE: In 1994 the State of Michigan cut property taxes by approximately 40%.

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>. The amounts for 1998 represent a period of 9 months.  
 (Source: Apportionment Report)

## County of Muskegon

### ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY

Ten years ended September 30, 2004

(Unaudited)

<u>Year Ended</u>	<u>Real Property</u>		<u>Personal Property Assessed and Equalized</u>	<u>Total* Equalized Value</u>
	<u>Assessed</u>	<u>Equalized</u>		
1995	\$ 2,018,055,820	\$ 2,018,055,820	\$ 262,577,109	\$ 2,280,632,929
1996	2,212,563,335	2,212,563,335	284,497,479	2,497,060,814
1997	2,387,631,165	2,387,631,165	305,952,455	2,693,583,620
1998**	2,579,575,879	2,579,575,879	297,193,181	2,876,769,060
1999	2,855,886,609	2,855,886,609	335,828,832	3,191,715,441
2000	3,129,275,639	3,129,275,639	346,259,444	3,475,535,083
2001	3,496,502,024	3,496,502,024	400,008,060	3,896,510,084
2002	3,912,057,046	3,912,057,046	372,213,387	4,284,270,433
2003	4,226,229,077	4,226,229,077	367,789,945	4,594,019,022
2004	4,469,290,770	4,469,290,770	370,847,200	4,840,137,970

\*The Michigan Constitution and Statutes provide that property is to be assessed and equalized at up to 50% of its fair market value.

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>.

(Source: Equalization Report)

## *County of Muskegon*

### ***PROPERTY VALUE AND CONSTRUCTION***

***Ten fiscal years ended September 30, 2004***

***(Unaudited)***

<u>Year Ended</u>	<u>New Commercial Construction Value</u>	<u>New Residential Construction Value</u>	<u>True Cash Property Value</u>
1995	\$ 29,162,966	\$ 85,559,942	\$ 4,561,256,858
1996	30,456,130	89,355,554	4,994,121,628
1997	25,773,580	100,736,464	5,387,167,240
1998*	22,621,500	102,850,504	5,733,538,120
1999	27,558,076	128,191,080	5,616,574,908
2000	44,443,426	137,791,482	6,951,070,166
2001	59,723,136	140,136,528	7,793,020,168
2002	90,404,622	145,228,152	8,568,540,866
2003	42,348,026	137,043,126	9,188,038,044
2004	35,061,670	139,743,252	9,680,275,940

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>.

( Source: Equalization Department )

## *County of Muskegon*

***RATIO OF NET GENERAL BONDED DEBT TO  
EQUALIZED VALUE AND NET BONDED DEBT PER CAPITA  
Ten years ended September 30, 2004  
(Unaudited)***

<u>Year Ended</u>	<u>Population</u>	<u>Equalized Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Equalized Value</u>	<u>Net Bonded Debt per Capita</u>
1995*	158,983	\$ 2,280,632,929	\$ 2,095,000	0.09 %	13.18 %
1996	158,983	2,497,060,814	17,910,000	0.72	112.65
1997	158,983	2,693,583,620	17,725,000	0.66	111.49
1998**	158,983	2,876,769,060	17,355,000	0.60	109.16
1999	158,983	3,191,715,441	17,490,000	0.55	110.01
2000	170,200	3,475,535,083	16,890,000	0.49	99.24
2001	170,200	3,896,510,084	16,230,000	0.42	95.36
2002	170,200	4,284,270,433	15,520,000	0.36	91.19
2003	170,200	4,594,019,022	14,750,000	0.32	86.66
2004	170,200	4,840,137,970	13,890,000	0.29	81.61

\*Based on 1990 census

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>.

## *County of Muskegon*

### *STATEMENT OF DIRECT AND OVERLAPPING DEBT*

*September 30, 2004*

*(Unaudited)*

	Net Debt <u>Outstanding</u>	Percentage Applicable to this Governmental <u>Unit</u>	Share of <u>Debt</u>
County Issued Bonds Paid by Local Municipalities	\$17,255,000	88%	\$15,255,000
County at Large	42,635,000	100	42,635,000
Tax Anticipation Notes	<u>10,500,000</u>	100	<u>10,500,000</u>
Direct Debt	70,390,000		68,390,000
 Muskegon Community College & Intermediate School Districts	10,069,285	100	10,069,285
School Districts	355,131,908	99.9	354,776,776
Cities, Villages and Townships	42,192,003	100	42,192,003
White Lake District Library	<u>1,530,000</u>	100	<u>1,530,000</u>
Overlapping Debt	408,923,196		408,568,064
 Total Direct and Overlapping Debt	<u><u>\$479,313,196</u></u>		<u><u>\$476,958,064</u></u>

(Source: Municipal Advisory Council)

## *County of Muskegon*

### *STATEMENT OF LEGAL DEBT MARGIN*

*September 30, 2004*

*(Unaudited)*

State Equalized Value		<u>\$4,840,137,970</u>
Debt Limit 10 Percent of Equalized Value		\$484,013,797
Amount of Debt Applicable to Debt Limit		
Total Bonded Debt	\$68,390,000	
Other Debt	<u>10,312,945</u>	
	78,702,945	
Less Assets Available for Debt Retirement	<u>27,214,073</u>	
Total Amount of Debt Applicable to Debt Limit		<u>51,488,872</u>
Legal Debt Margin		<u>\$432,524,925</u>

## County of Muskegon

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES  
Ten years ended September 30, 2004  
(Unaudited)**

<u>Year Ended</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1995	\$ 185,000	\$ 155,359	\$ 352,693	\$ 25,039,465	1%
1996	185,000	142,841	327,841	26,666,322	1
1997	185,000	1,283,473	1,468,473	28,796,748	5
1998**	480,000	979,342	1,459,342	25,676,753	6
1999	509,868	1,032,090	1,541,958	30,804,586	5
2000	600,000	838,782	1,438,782	32,585,506	4
2001	660,000	801,988	1,461,988	33,172,223	4
2002	710,000	760,959	1,470,959	35,769,363	4
2003	770,000	715,587	1,485,587	39,129,777	4
2004	860,000	668,474	1,528,474	38,947,387	4

\*Serial maturities in the case of serial bonds; annual debt service fund requirements in the case of term bonds.

\*\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>.

## *County of Muskegon*

***SPECIAL ASSESSMENT COLLECTIONS***  
***Ten years ended September 30, 2004***  
***(Unaudited)***

<u>Year Ended</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
1995	\$ 1,347,552	\$ 1,347,552	100 %	\$ 10,903,175
1996	2,502,552	2,502,552	100	8,400,623
1997	872,552	872,552	100	7,528,071
1998*	1,397,552	1,397,552	100	6,130,519
1999	1,275,000	1,275,000	100	6,180,000
2000	1,150,000	1,150,000	100	5,030,000
2001	1,325,000	1,325,000	100	10,030,000
2002	1,350,000	1,350,000	100	9,230,000
2003	800,000	800,000	100	8,430,000
2004	800,000	800,000	100	7,630,000

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>.



# County of Muskegon

**REVENUE BOND COVERAGE**  
**WASTEWATER MANAGEMENT SYSTEM**  
**Ten years ended September 30, 2004**  
**(Unaudited)**

Year Ended	Gross Revenues(1)	Direct Operating Expenses(2)	Net Revenue Available for Debt Service	Debt Service Requirements(3)			% Coverage
				Principal	Interest	Total	
1995	\$ 2,501,964	\$ 1,687	\$ 2,500,277	\$ 850,000	\$ 831,225	\$ 1,681,225	1.49 %
1996	1,038,942	448,911 (4)	590,031	100,000	571,958	671,958	0.88
1997	1,720,963	1,477	1,719,486	645,000	1,113,807	1,758,807	0.98
1998*	2,182,903	707	2,182,196	2,005,000	491,219	2,496,219	0.87
1999	2,785,942	1,575	2,784,367	1,725,000	1,000,594	2,725,594	1.02
2000	2,643,950	1,325	2,642,625	1,695,000	922,306	2,617,306	1.01
2001	2,535,551	12,636	2,522,915	1,665,000	841,131	2,506,131	1.01
2002	3,478,515	2,199	3,476,316	1,910,000	756,490	2,666,490	1.30
2003	3,425,875	121,447 (5)	3,304,428	2,285,000	1,161,798	3,446,798	0.96
2004	3,458,753	1,160	3,457,593	2,140,000	1,292,371	3,432,371	1.01

(1) Total revenues including interest

(2) Operating expenses are paying agent fees and issuing costs

(3) Includes principal and interest of revenue bonds only

(4) Refunded 13.75 million of 23 million dollar bond in 1996

(5) Refunded \$6,990,000 bond in 2003

\*Starting in 1998 Muskegon County's fiscal year ends as of September 30<sup>th</sup>.

# ***County of Muskegon***

## ***SALARIES OF PRINCIPAL OFFICIALS***

***September 30, 2004***

***(Unaudited)***

<hr/>		
<b><u>Group I</u></b>	<b>\$90,000 - \$140,000</b>	
Corporate Counsel	Director of Public Facilities	Probate Judge
County Administrator	DPW Director	Prosecutor
Director of Finance and Management Services	Mental Health Director	Prosecutor, Chief Assistant
<b><u>Group II</u></b>	<b>\$75,000 - \$90,000</b>	
Administrator/Brookhaven	District Court Admin.	Prosecutor, Senior Assistant (2)
Circuit Court Admin/Friend of the Court	Equalization Director	Sheriff
County Treasurer	Human Resources Deputy Director	Trial Lawyer, Chief
Director of Health & Comm. Resources	Information Systems Manager	
<b><u>Group III</u></b>	<b>\$60,000 - \$75,000</b>	
Accounting Manager	Deputy Director Public Works for WW	Prosecutor Senior Assistant (2)
Assistant Family Division Admin Legal	Deputy Equalization Director	Public Health Epidemiologist
Assistant Prosecutor II	Drain Commissioner	Quality Manager/CMH
Attorney Magistrate - District Court	Facilities Manager	Register of Deeds
Budget Manager	Family Division Referee	Risk Manager
Captain	Human Resources Deputy	Senior Psychologist
Computer Operations Manager/CMH	Library Director	Undersheriff
County Clerk	Lieutenant	Wastewater Farm Manager
Criminal Justice Director	Mental Health Assistant Director	WW Engineer O&M Manager
Deputy Director Public Works	Network Manager/CMH	

## *County of Muskegon*

### **LABOR AGREEMENTS**

*September 30, 2004*

*(Unaudited)*

	Expiration
Local 586, Service Employees International AFL-CIO,  Professional and Clerical Division Wastewater/Public Works	12/31/04
Local 79, Services Employees International Union  Licensed Practical Nurses	12/31/04
Local 570, Council 25, American Federation of State,  County and Municipal Employees, AFL-CIO Brookhaven Employees	12/31/06
Teamsters Local 214, Affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America	
Sheriff Corrections Officers	12/31/04
Sheriff Deputies	12/31/04
Sheriff Command Officers	12/31/04
District Court Employees	12/31/06
General Employees Unit	12/31/04
CMH Aide Unit	12/31/04
Michigan Nurses Association  Public Health Nurses	12/31/06
Professional Command Association  Sheriff Department Captains	12/31/04

(Source: Human Resources Department)

**County of Muskegon**  
**SCHEDULE OF INSURANCE IN FORCE**  
**September 30, 2004**  
**(Unaudited)**

Type of Coverage

Name of Agent

Name of Insurer	Policy Number	Policy Period	Annual Premium	Liability Limits	Details of Coverage
<b>WORKERS' COMPENSATION</b>					
Safety National Casualty Company (Discover Re)	SP7635-MI	1/1/04-1/1/05	\$82,114.00	\$2,000,000 employers liability	\$300,000 self-insured retention (\$400,000 Police)
<b>PROPERTY INSURANCE</b>					
Travelers Insurance Company Property	KTK-CMB-123D767-1-04	1/1/04-1/1/05	\$344,671.00	\$198,027,808.00	Replacement cost coverage for all property, per policy deductible, \$50,000.00 (Vehicle 100,000.00)
Boiler & Machinery	BAJ-BM21-3680A38-TIL-04	1/1/04-1/1/05	Included in above	\$50,000,000.00	\$50,000,000.00 per breakdown
<b>LIABILITY INSURANCE</b>					
Michigan Municipal Risk Management Authority	N/A	1/1/04-1/1/05	\$579,496.00	\$15,000,000.00	General, Auto & Professional Liability Insurance. \$250,000 self-insured retention. Excludes \$4,000,000 on transit.
ProNational	MP45675	7/1/04-7/1/05	\$7,042	\$200,000.00/Incident	Professional Liability for Jail Physician. Muskegon County named additional insured.
Old Republic	PR183804	11/19/03-11/19/04	\$10,550.00	\$10,000,000.00 \$1,000,000.00	Airport Liability coverage Hangarkeepers coverage,
Michigan Transit Pool	N/A	12/1/03-12/1/04	\$57,048.00 Deposit Prem.	\$4,000,000.00	Coverage for Muskegon Area Transit System, \$100,000 deductible

## *County of Muskegon*

### ***SCHEDULE OF INSURANCE IN FORCE - continued***

***September 30, 2004***

***(Unaudited)***

Type of Coverage

Name of Agent

Name of Insurer

Policy Number

Policy Period

Annual Premium

Liability Limits

Details of Coverage

The Hartford

35BPEAG4816

1/1/03-1/1/06

\$4,309.00/  
3 years

\$100,000.00

Crime Insurance, \$1,000  
deductible

### **EMPLOYEE INSURANCE COVERAGE**

### **MEDICAL/HOSPITAL INSURANCE**

Blue Cross/Blue Shield

62626

4/1/04-3/31/05

\$698,996.00

Stop Loss Insurance

Self-Insured

62626/62648

Indefinite

\$8,954,614  
Projected Claims

Specific- \$50,000.00  
Agr. - \$10,745,450.00

There are eleven (11) different  
plans available based on employee  
or retiree status.

### **LIFE INSURANCE**

The Standard Insurance Company  
through MERS of Michigan

643150

7/1/04-6/30/06

\$0.165/thousand  
per month.

Varies

Term Life Insurance on employee  
only. Minimum of \$10,000 or  
annual salary to the next higher  
thousand to maximum of  
\$150,000. (Brookhaven AFSCME  
& LPN Units \$10,000 only).

## County of Muskegon

**SCHEDULE OF INSURANCE IN FORCE - continued**  
**September 30, 2004**  
**(Unaudited)**

Type of Coverage

Name of Agent

Name of Insurer	Policy Number	Pol. Period	Annual Premium	Liability Limits	Details of Coverage
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### DENTAL INSURANCE

Delta Dental	2993-0001	7/1/04-6/30/05	\$567.60 Annual Premium per subscriber	N/A	Class I-100% of prevent: Rest of Class I and Class II: 60%, \$1,000 maximum per family member, with no deductible. Seven (7) Bargaining Units.
Delta Dental	2993-0003	7/1/04-6/30/05	\$502.08 Annual Premium per subscriber	N/A	Class I-100% of prevent: Rest of Class I and Class II: 50%; \$1,000 maximum per family member, with a \$75.00 per family deductible. Non-bargaining employees and three (3) bargaining units.
Self-Insured		Indefinite	\$ 66.00 (Single) \$210.00 (Family)	N/A	Progressive paid on allowable charge: 70%, 80%, 90% based on use, \$600 annual maximum per retiree, \$24.00 deductible per year per family. Retirees only are eligible for this program.

### LONG-TERM DISABILITY

CIGNA Life Insurance Company of North America	LK-960353	1/1/04-1/1/05 monthly payroll	\$0.0037 times \$5,000 month	66 2/3% of salary	Long Term Disability; eligible after 180 days disability. Non-bargaining employees.
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### UNEMPLOYMENT COMPENSATION

Annual Paid Claims

# County of Muskegon

***SCHEDULE OF INSURANCE IN FORCE - continued***  
***September 30, 2004***  
***(Unaudited)***

Type of Coverage

Name of Agent

Name of Insurer	Policy Number	Pol. Period	Annual Premium	Liability Limits	Details of Coverage
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## COUNTY INSURANCE COVERAGES

### TAX COLLECTION BONDS

Hartford Insurance Company Summer Tax Bonds	81BSBCH2436	7/1/04-3/31/05	\$3,824.00	Percentage of summer tax rolls	Bonding of County Treasurer for collection of tax rolls.
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### TRAVEL INSURANCE

Continental Casualty Co.	SR68041580	5/1/04 -5/1/05	\$1,100.00	\$200,000.00/accident & \$2,000,000.00/aggregate	Death benefits cover travel, \$200,000.00/accident, \$2,000,000.00/aggregate. Various employees
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### NAMED OFFICIAL PUBLIC OFFICIALS

Universal Insurance Services	08696193	1/1/04-1/1/05	\$2,075.00	Individual bonds of various amounts	Covers elected officials plus selected employees. Liability limits: Individual bonds of various amounts.
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### PATIENT TRUST BOND

CNA Surety Co.	060169320631	4/15/04-4/15/05	\$250.00	\$25,000.00	Brookhaven Patient Trust Bond; \$25,000 Surety Bond required by State of Michigan.
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### NOTARY BONDS

County assumes risk

# ***County of Muskegon***

## ***AUTHORIZED POSITIONS BY DEPARTMENT***

***For five years ended September 30, 2004***

***(Unaudited)***

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>Administration</u>					
Administrator	8	8	9	9	9
Accounting	12	12	12	12	11
Human Resources	6	6	6	6	5
Purchasing	4	4	4	4	4
Office Services	4	4	4	4	5
Information Systems	11	12	12	11	8
Employment and Training-WIA	18	21	21	22	21
Corporate Counsel	-	-	-	3	3
Risk Management	<u>6</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>
Total	69	74	76	79	74
<u>DPW-Transportation and Planning</u>					
Public Works	1	1	1	1	1
Airport	16	16	16	20	15
Transit	39	43	45	46	46
Wastewater	80	81	81	81	81
Solid Waste	10	10	11	11	14
Solid Waste-Fly Ash	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>1</u>
Total	150	155	158	163	158
<u>General Government</u>					
County Clerk	6	6	6	6	6
County Clerk-Circuit Court Record	7	7	8	8	8
Equalization	20	22	23	23	22
Register of Deeds	9	9	9	9	9
Treasurer	10	10	10	10	10
Buildings Information Services	1	-	-	-	-
Drain Commission	5	4	4	5	5
MSU-Cooperative Extension	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>
Total	60	60	62	63	61



## ***County of Muskegon***

### ***AUTHORIZED POSITIONS BY DEPARTMENT - continued***

***For the five years ended September 30, 2004***

***(Unaudited)***

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>Judicial Administration</u>					
Circuit Court	20	19	19	19	19
District Court	53	54	56	56	58
District Court-Probation Assessment	2	2	2	2	2
Family Court-FOC Division	41	42	42	41	46
Family Court-FOC Family Counseling	1	1	1	1	1
Family Court-FOC Medical Support	-	2	2	1	1
Family Court-FOC Welfare Support	-	1	1	1	1
Family Court-Juvenile Division	23	19	19	18	17
Family Court-Juvenile Diversion Program	1	1	-	-	-
Family Court-Juvenile In Home Intensive	12	13	13	13	14
Family Court-Re-Entry Initiative	-	-	-	3	3
Family Court-Special Improvement Project	-	-	-	3	3
Probate Court	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total	160	161	162	165	172
<u>Legislative</u>					
Board of Commissioners	<u>9</u>	<u>9</u>	<u>9</u>	<u>11</u>	<u>11</u>
Total	9	9	9	11	11
<u>Libraries and Recreation</u>					
Library	41	41	42	42	41
County Parks	22	22	22	22	22
Convention/Visitor's Bureau	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>5</u>
Total	68	68	69	68	68
<u>Maintenance</u>					
Courthouse-Grounds	<u>21</u>	<u>24</u>	<u>24</u>	<u>22</u>	<u>14</u>
Total	21	24	24	22	14

# County of Muskegon

## AUTHORIZED POSITIONS BY DEPARTMENT - continued

For the five years ended September 30, 2004

(Unaudited)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>Public and Mental Health</u>					
Health	106	110	110	87	79
Mental Health	302	255	256	255	257
Mental Health/Managed Care	<u>17</u>	<u>66</u>	<u>68</u>	<u>69</u>	<u>68</u>
Total	425	431	434	411	404
 <u>Public Safety</u>					
Prosecutor	22	20	20	21	20
Prosecutor-Cooperative Reimbursement	5	5	5	6	6
Prosecutor-Crime Victim Rights	4	4	4	3	4
Prosecutor-Family Court FIA Grant	-	3	3	3	3
Prosecutor-Juvenile Accountability Incentive	1	2	2	1	1
Prosecutor-Community Gun Violence	-	-	-	2	2
Prosecutor-Project Cornerstone	2	2	2	2	-
Sheriff-Operations	106	108	108	115	115
Sheriff-Road Patrol Grant	2	2	2	2	2
Sheriff-School Liaison Grant	1	1	2	2	2
Sheriff-Marine	8	8	8	8	8
Sheriff-Township Patrols	-	5	5	5	5
Community Corrections	7	8	8	8	8
Emergency Services	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	160	171	172	181	179
 <u>Social Services</u>					
Child Haven	16	16	16	16	16
Brookhaven	250	243	244	244	239
Juvenile Detention Center	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>
Total	292	285	286	286	282
 GRAND TOTAL	<u>1414</u>	<u>1438</u>	<u>1452</u>	<u>1449</u>	<u>1423</u>

## ***County of Muskegon***

### ***MISCELLANEOUS STATISTICAL DATA***

***September 30, 2004***

***(Unaudited)***

Date of Incorporation - July 18, 1859

Form of Government - Elected Board of Commissioners from Eleven Districts

Area - 527.34 Square Miles

Miles of Sewers, Storm and Sanitary - 352

(Source: Department of Public Works)

#### Police Protection

Number of Employees	130
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Jail Capacity	370
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Vehicular Patrol Units	28
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(Source: Sheriff's Department)

Parks and Recreation: Muskegon County has 30 miles of Lake Michigan shoreline. Three state parks and two county parks are located on Lake Michigan. Totally, there are nine county parks with 515 acres. In addition, the County operates Heritage Landing (located on Muskegon Lake) and a Fairgrounds Training Facility. There are 12,500 acres of national forest land.

(Source: Department of Public Works)

#### Education (K-12)

Number of School Districts	12
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Number of Administrative Personnel	223
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Number of Teachers	2,525
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Number of Students	35,697
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Number of Charter Schools	3
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(Source: MAISD )

## ***County of Muskegon***

### ***MISCELLANEOUS STATISTICAL DATA - CONTINUED***

***September 30, 2004***

***(Unaudited)***

#### Enterprises

##### Wastewater Treatment

Number of Users	16
Data on Use of Consumption	26,000,000 Gallons per day
Plant Capacity	43,000,000 Gallons per day
Data on Distribution System	59% Industrial, 41% Residential

##### Solid Waste

Number of Users	9,237
Data on Use	60,247 Tons
Plant Capacity	3,099,900 Cubic yards

##### Airport

Number of Users	64,819 Passengers annually
Data on Use	61,243 Landings and take-offs (annually)
Present Capacity	119,056 Passengers annually

##### Transit

Number of Users	424,217
Data on Use	560,225 Miles traveled
Number of Buses`	15

Employees as of September 30, 2004: 1,318

#### Election Data as of September 30, 2004:

Number of Registered Voters as of Last General Election	116,808
Number of Votes Cast In Last General Election (2002)	53,514
Percentage of Registered Voters Voting in Last General Election (2000)	46%
Last County Election (2004)	16%

( Source: County Clerk's Office )

## County of Muskegon

### MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2004

(Unaudited)

Residential Characteristics - According to the 2000 U.S. Census, there were 68,556 housing units located within the County. The breakdown of dwelling units is as follows: Single Family, 76%; Multi-Family, 16% and Mobile Home, 8%; of these, 77.7% are owner occupied.

<u>Population County for Last U.S. Census (2000)</u>	170,200	<u>Estimated Population in 2004:</u>	173,090
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#### Age Distribution of Population (2000 Census)

	<u>Male</u>	<u>Female</u>
Total Population	84,419	85,781
Under 5 years	3.3%	3.4%
5 to 9 years	3.7	3.8
10 to 19 years	7.3	7.4
20 to 44 years	18.0	18.3
45 to 64 years	11.2	11.3
Over 65 years	6.1	6.2

#### Retail Sales

1995	\$1,299,733,000	2000	\$1,782,984,000
1996	1,358,224,000	2001	1,803,714,000
1997	1,419,899,000	2002	1,791,460,000
1998	1,522,000,000	2003	2,076,771,000
1999	1,710,662,000	2004	N/A

(Source: GVSU/Michigan Small Business & Technology Center)

Household Income - According to the 2000 U.S. Census, there are 68,556 households in Muskegon County. (The median household income in 2003 was \$38,008; per capita personal income was \$17,967 in current dollars.)

(Source: US Census Bureau)

## County of Muskegon

### MISCELLANEOUS STATISTICAL DATA - CONTINUED

September 30, 2004

(Unaudited)

#### Principal Taxpayers - 2004

<u>Taxpayer</u>	<u>Business</u>	<u>Equalized value</u>	<u>Percentage total of assessed Evaluation</u>
Consumers Energy	Electric	\$114,892,000	2.88%
Sappi, Inc.	Paper products	54,054,800	1.42
Howmet Corp	Aerospace	44,678,300	1.15
Hayes-Lemmerz International	Automotive	35,668,000	0.92
DTE Enery	Natural Gas	25,587,100	0.67
Sun Chemical of Michigan LLC	Pigments	24,641,000	0.64
THF Fruitport Dev LP	Real Estate	19,201,100	0.39
Cannon Muskegon Corp	Metal Alloys	12,780,600	0.32
Johnson Technology Inc	Aerospace	11,958,400	0.31
General Dynamics Inc	Military	<u>11,421,800</u>	<u>0.29</u>
		\$354,883,100	7.33%

Total Taxable - \$3,795,561,731

<u>By Use</u>		<u>By Class</u>	
Residential	70.14%	Real Property	92.34%
Commercial	14.70	Personal Property	7.66
Personal	7.66		
Industrial	4.74		
Agricultural	2.76		

(Source: Equalization Department)

## ***County of Muskegon***

### ***MISCELLANEOUS STATISTICAL DATA - CONTINUED***

***September 30, 2004***

***(Unaudited)***

<u>Largest Employers</u>	<u>Approximate Number of Employees</u>
Mercy General Health Partners	2,400
Howmet Corp.	2,100
Hackley Hospital	1,300
County of Muskegon	1,300
Meijer Inc.	1,100
Hayes Lemmerz International	620
General Dynamics	580
Dana Corporation	550
Sappi Fine Paper	550
Johnson Technology, Inc.	475

(Source: Muskegon Area Chamber of Commerce)